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# CONTENTS.

## PRINCIPAL PAPERS.

	PAGE
✓ BECKER, CARL. Law and Practice of the United States in the Acquisition and Government of Dependent Territory . . . . .	404
✓ CLARK, A. INGLIS. Natural Rights . . . . .	212
✓ CONANT, CHARLES A. The Law of the Value of Money . . . . .	189
✓ DEXTER, EDWIN G. Drunkenness and the Weather .	421
✓ FALKNER, ROLAND P. The Currency Law of 1900 .	33
✓ FORD, HENRY JONES. Politics and Administration .	177
✓ HAYNES, GEORGE H. Representation in State Legislatures. III. The Southern States . . . . .	93
✓ HAYNES, GEORGE H. Representation in State Legislatures. IV. The Western States . . . . .	243
✓ LINGELBACH, W. E. The Doctrine and Practice of Intervention in Europe . . . . .	1
MEADE, EDWARD SHERWOOD. The Financial Aspects of the Trust Problem . . . . .	345
✓ REINSCH, PAUL S. Cultural Factors in the Chinese Crisis . . . . .	435
✓ WILCOX, DELOS F. The American Newspaper, A Study in Social Psychology . . . . .	56
✓ WILLIAMS, TALCOTT. The Ethical and Political Principles of Expansion . . . . .	227

## PERSONAL NOTES.

Allen, W. H., 282.	McVey, F. L., 280.
Andrews, E. B., 281.	Meade, E. S., 281.
Burnett, E. C., 279.	Morrison, A. E., 447.
Callender, G. S., 273.	Raper, C. L., 281, 446.
Chandler, F. W., 273.	Ripley, W. Z., 279.
Clark, F. C., 281.	Scott, W. A., 283.
Durand, E. D., 277.	Shotwell, J. T., 273.
Farrand, M., 283.	Thorpe, F. N., 447.
Finley, J. H., 282.	Veblen, T. B., 446.
Hammond, M. B., 446.	Walker, F., 449.
Holmes, J. H., 282.	Warner, A. G., 279.
Jones, E. D., 450.	West, M., 274.
Keasbey, L. M., 273.	Willoughby, W. F., 278.
Lobingier, C. S., 280.	Wright, C. D., 275.
Lowell, A. L., 277.	Degrees and Fellowships in Political and Social Science, 283.
McCutchen, G., 282.	

## BOOK DEPARTMENT.

CONDUCTED BY JAMES T. YOUNG.

## REVIEWS.

	PAGE
BOLLES, A. S. Pennsylvania, Province and State.— <i>F. A. Cleveland</i> . . . . .	460
BOURINOT, J. G. Builders of Nova Scotia.— <i>T. J. Stathan</i> . . .	128
CLARK, J. B. The Distribution of Wealth: A Theory of Wages, Interest and Profits.— <i>H. R. Seager</i> . . . . .	297
COMBES DE LESTRADE, VTE., Droit politique contemporain.— <i>C. Becker</i> . . . . .	303
ELY, R. T. Monopolies and Trusts.— <i>E. W. Benis</i> . . . . .	129
HOBSON, J. A. The Economics of Distribution.— <i>J. R. Commons</i> . . .	133
HOFFMAN, F. L. History of the Prudential Insurance Company of America (Industrial Insurance), 1875-1900.— <i>R. P. Falkner</i> . . . . .	462
JENKS, J. W. The Trust Problem.— <i>E. S. Meade</i> . . . . .	465
KELLY, E. Government or Human Evolution. Justice.— <i>W. G. L. Taylor</i> . . . . .	469

# CONTENTS.

v

	PAGE
<b>LIEBENAM, W.</b> Städteverwaltung im Römischen Kaiserreiche. — <i>E. S. Shumway</i> . . . . .	305
<b>LOOS, I. A.</b> Studies in the Politics of Aristotle and the Republic of Plato.— <i>W. A. Dunning</i> . . . . .	473
<b>LOWELL, A. L.</b> Colonial Civil Service, with an Account of the East India at Haileybury, 1806-1837, by H. Morse Stephens. — <i>J. T. Young</i> . . . . .	475
<b>MENGER, A.</b> The Right to the Whole Produce of Labor.— <i>R.</i> <i>T. Ely</i> . . . . .	309
<b>MILL, H. R., Ed.</b> The International Geography.— <i>E. R. John-</i> <i>son</i> . . . . .	480
<b>Nonveau Dictionnaire de Géographie Universelle Snplément.—</b> <i>E. R. Johnson</i> . . . . .	479
<b>PALGRAVE, R. H. INGLIS, Ed.</b> Dictionary of Political Economy. — <i>S. M. Lindsay</i> . . . . .	311
<b>RATZEL, F.</b> Anthropogeographie.— <i>E. C. Semple</i> . . . . .	137
<b>SMART, W.</b> The Distribution of Income.— <i>H. R. Scager</i> . . . . .	139
<b>STEPHENS, H. MORSE.</b> See Lowell, A. L.	
<b>WASHINGTON, B. T.</b> The Future of the American Negro.— <i>W.</i> <i>S. Scarborough</i> . . . . .	145

## NOTES.

<b>Abstract of Labour Statistics of the United Kingdom, Sixth</b> <b>Annual</b> . . . . .	296
<b>BANCROFT, F.</b> Life of William Seward . . . . .	451
<b>Bases Statistiques de l'Assurance contre les Accidents</b> . . . . .	288
<b>BOUÏLÉ, C.</b> Les idées égalitaires . . . . .	120
<b>CHAILLEY-BERT, J.</b> Java et ses habitants . . . . .	121
<b>CHAPMAN, J. J.</b> Practical Agitation . . . . .	452
<b>COLLIER, W. M.</b> The Trusts . . . . .	452
<b>COMMONS, J. R.</b> Representative Democracy . . . . .	288
<b>Congrès general des organisations Socialistes Françaises</b> . . . . .	453
<b>DEL MAR, A.</b> History of Money in America . . . . .	454
<b>DEMOOR, J., MASSART, J., and VANDERVELDE, E.</b> Evolution by Atrophy in Biology and Sociology . . . . .	121
<b>DUVALL, J. J.</b> Civil Government Simplified . . . . .	288
<b>ELY, R. T.</b> Outlines of Economics (reprinted) . . . . .	289
<b>FERRIS, A. J.</b> Pauperizing the Rich . . . . .	289
<b>GRIGGS, E. H.</b> The New Humanism . . . . .	290
<b>HENDRICK, F.</b> Railway Control by Commissions . . . . .	290
<b>HENRY, L. E.</b> Napoleon's War Maxims . . . . .	122

	PAGE
HOBSON, J. A. John Ruskin, Social Reformer . . . . .	122
HOPKINS, L. L. The Coming Trust . . . . .	454
Houses for the Working Classes . . . . .	291
JAMES, J. A. The Constitution and Admission of Iowa into the Union . . . . .	291
KEASBEY, E. Q. Law of Electric Wires in Streets and High- ways . . . . .	123
KNOX, J. J. The History of Banking in the United States . . . . .	454
LANDON, J. S. Constitutional History and Government of the United States. Revised edition . . . . .	123
LEGIEN, C. Das koalitionsrecht der deutschen arbeiter . . . . .	292
LEROY-BEAULIEU, PIERRE. La Rénovation de l'Asie . . . . .	124
LLOYD, H. D. A Country Without Strikes . . . . .	292
MASSART, J. See DEMOOR.	
MCKIM, W. D. Heredity and Human Progress . . . . .	455
MOORE, J. H. A Better World Philosophy . . . . .	456
MORRIS, C. Man and His Ancestor . . . . .	456
Municipality . . . . .	293
NELSON, S. A. A B C of Wall Street . . . . .	457
NETTLETON, A. B. Trusts or Competition . . . . .	457
PAUL-BONCOUR, J. Le Fédéralisme Économique . . . . .	293
DE PÉLICHY, C. G. Le régime du travail dans les principaux ports de mer de l'Europe . . . . .	294
PLEHN, C. C. Introduction to Public Finance, revised edition . . . . .	125
RATZEL, F. Das Meer als Quelle der Völkessgrösse . . . . .	457
REINSCH, P. S. World Politics as Influenced by the Oriental Situation . . . . .	125
ROCQUIGNY, COMTE DE. Les Syndicats Agricoles . . . . .	294
ROWNTREE, J., and SHERWELL, A. The Temperance Problem and Social Reform . . . . .	295
Russian Journal of Finance Statistics . . . . .	126
School Board, London . . . . .	459
SCRUGGS, W. The Colombian and Venezuelan Republics . . . . .	458
SEAGER, J. R. London Government . . . . .	295
SHAMBAUGH, B. F. Fragments of the Debates of the Iowa Con- stitutional Conventions of 1844 and 1846 . . . . .	127
SHERWELL, A. See ROWNTREE, J.	
SPAHR, C. B. America's Working People . . . . .	459
VANDERVELDE, E. See DEMOOR.	
What Women Can Earn . . . . .	460
WILLGREN, K. Das Staats budget . . . . .	296
ZENKER, A. V. Anarchism, a Criticism and History of Anarchist Theory . . . . .	127



# CONTENTS.

vii

## NOTES ON MUNICIPAL GOVERNMENT.

CONDUCTED BY L. S. ROWE.

	PAGE
Boston . . . . .	156, 320, 482
Bubonic Plague and British Quarantine . . . . .	492
Buffalo . . . . .	483
Chicago . . . . .	376
Cincinnati . . . . .	157, 488
England . . . . .	323
Great Britain . . . . .	491
Havana . . . . .	159
Indianapolis . . . . .	320
Iowa . . . . .	321
Leek . . . . .	491
London . . . . .	160
Massachusetts . . . . .	318
Minneapolis . . . . .	489
New Orleans . . . . .	487
New York . . . . .	148
New York State . . . . .	315
Omaha . . . . .	157
Pennsylvania . . . . .	151
Pittsburgh . . . . .	154, 317, 483
San Francisco . . . . .	322

## SOCIOLOGICAL NOTES.

CONDUCTED BY SAMUEL M. LINDSAY.

American Stock Market . . . . .	500
Anthracite Coal Miners' Wages . . . . .	497
Awards for Social Economy Exhibits at Paris Exposition . . . . .	503
Bourse du Travail of Paris . . . . .	168
Criminal Statistics of Denmark . . . . .	330
Department of Public Out-door Relief at Paris . . . . .	167
International Arbitration . . . . .	172
International Association for the Advancement of Science, Arts and Education . . . . .	170
Legal Status of Labor Organizations . . . . .	339
Municipal Agricultural Colony at La Chalmelle, France . . . . .	165

	PAGE
National Supremacy, and the Tendency to Consolidation in the	
Iron and Steel Industry . . . . .	339
Protection of Danish Laborers . . . . .	331
Social Economy at Paris Exhibition . . . . .	328
Statistics of Foreign Missions . . . . .	332
Tenement House Reform in New York . . . . .	164
Unique Trust to Reduce the Evils of Alcoholism . . . . .	494
Wheat Outlook . . . . .	499

---

#### SUPPLEMENT.

Selected Official Documents of the South African Republic and Great Britain, a documentary perspective of the causes of the war in South Africa, edited by Hugh Williams and Frederick Charles Hicks, July, 1900, pp. 72.

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THE DOCTRINE AND PRACTICE OF INTER-  
VENTION IN EUROPE.

24 Intervention is the interference of a state or group of states in the affairs of another state, for the purpose of compelling it to do or refrain from doing certain acts. Its essential characteristic is force, either open or concealed. Simple mediation or even a formal protest, unless there is present the intention of enforcing the demand, does not constitute intervention.<sup>1</sup>

The relation of intervention to international law and even the rules governing the practice are still in an extremely unsettled state.<sup>2</sup> Most writers content themselves with a discussion of the particular conditions under which intervention is or is not justifiable, and make no attempt to determine the place of intervention in a system of international law. Almost without exception they treat the subject in an "*a priori*" manner. From the premises that nations are independent, politically equal and possessed of

<sup>1</sup> Hall: *International Law*, sec. 88. Holtzendorff: *Handbuch des Modernen Völkerrechts*, vol. iv, p. 131.

<sup>2</sup> A. de Floecker: *De l'Intervention*, chap. 2, sec. 3. "The right of intervention does not exist;" and chap. 3, sec. 9, "Intervention is admissible in certain cases in spite of the absence of a right of intervention."

the same rights, they deduce what the doctrine of intervention must be and what the conditions which justify its use.<sup>1</sup>

Whatever may be said in favor of this deductive method from the ethical standpoint, from the legal and historical point of view it must always remain unsatisfactory. It proceeds from ideals rather than from the facts of history; from the standpoint of what ought to be, rather than from that of what is. States to-day do not base their actions on innate ideas of justice, or upon precepts deduced from considerations of absolute rights antecedent to custom and law, but on rules which can be shown to have been followed by all or most of the states. In every other branch of international law, writers arrive at the doctrine and principles from the practice and precedents established by nations in their dealings with each other. There is no adequate reason why this should not be done with regard to intervention.

In the following study the historic method has been pursued. This has involved a careful analysis of the various phases of the practice of intervention, together with a treatment of its evolution and development. From this analysis has been deduced a theory of intervention which differs radically from the doctrine of intervention hitherto advanced.

For purposes of presentation the cases of intervention are classified as follows :<sup>2</sup>

Intervention :<sup>3</sup>

1. To prevent hostile acts.
2. To preserve the balance of power.

<sup>1</sup> "We might indeed deem that the search for rules of any kind was hopeless, were it not possible to deduce certain clear and unmistakable precepts from principles admitted on all sides. No one doubts the existence of the right of independence, or the duty of self-preservation, and from these we are able by a process of deduction to obtain what we are in search of." Lawrence, sec. 75.

<sup>2</sup> An accepted uniform classification does not exist. A recent writer goes even further and declares that no systematic study of the cases of this important branch of international law has yet been made.

<sup>3</sup> Intervention between two states does not differ in principle from intervention in the internal affairs of an individual state and is therefore not treated separately. See Hall, sec. 88.

3. To maintain, or establish political institutions.
4. To prevent intolerance and anarchy and to enforce reparation for injury to life and property.
5. To enforce treaty rights and obligations.

## I.

The most striking instance of intervention to prevent hostile acts is the well known case arising out of the propagandistic decree of the French Revolution. After the first excesses of the Revolution, Austria and Prussia issued their manifesto,<sup>1</sup> declaring their intention and reasons for intervention.

This called forth the famous decree of the convention on November 19, 1792. The decree proclaimed that "the French nation would assure fraternity and assistance to all people who wished to recover their liberty."<sup>2</sup> It was immediately followed by orders to the French generals, "not to allow even the shadow of the ancient authorities to remain."<sup>3</sup> Such a proclamation, if carried into effect, would have involved the very existence of the European governments. Intervention became a necessity, not only for self-preservation but also to prevent attack. In spite of this, England maintained a policy of non-intervention,<sup>4</sup> and as late as December 20, 1792, her ambassador at St. Petersburg sought to avoid the necessity of British intervention on condition that "France rescind any acts injurious to the rights and sovereignty of any other nation, and give in some unequivocal manner a pledge of her intention no longer to foment trouble, or to incite disturbances against other governments."<sup>5</sup> The offer was rejected, and as Pitt declared two

<sup>1</sup> Annual Register, 1791, p. 190.

<sup>2</sup> Martens, Recueil, VI, p. 742.

<sup>3</sup> Annual Register, 1792, p. 281.

<sup>4</sup> Pitt's Speech in the House of Lords. Parliamentary Debates, I Series, vol. 28, p. 449.

<sup>5</sup> Given in Stapleton. Intervention and Non-intervention, p. 20.

years later, "England was forced into war against her will."<sup>1</sup>

Numerous other causes of this character, which led to intervention, might be cited, such as the mobilization of troops, the building of fortresses on the frontier and filibustering and hostile attacks on land by armed bands of citizens from another state. An attack, a threatened attack, or preparations from which an intention to attack may be inferred, have been standing grounds for intervention. It should be said, however, that the danger in such cases has always been direct and immediate, not contingent or remote, and the practice seems to recognize the justice of intervention only in the cases where the evil is sufficiently serious to warrant an ultimate recourse to war. When these conditions are present the history of the practice shows that the right of the individual state to independent action, even on its own territory, has been greatly circumscribed. For the better security of all the states the society of nations appears to have recognized a right above that of the individual state.

## II.

Intervention to preserve the balance of power, better than any other part of the subject, illustrates that states are not independent of each other; that they are not politically equal; and that their so-called independence is constantly called in question. With the rise of sovereign states in the sixteenth century the dream of a universal monarch, either emperor or pope, vanished. The very existence of such states depended upon the absence of a ruler who could aspire to such power. Accordingly, there manifested itself very early a jealous disposition to guard against the undue aggrandisement of any one state. The earliest instances of the practice occurred in Italy, where the growth of the free city republics had given

<sup>1</sup> Pitt's Speech in the House of Commons, Feb., 1793. Par. Deb. I Series, vol. 33. p. 345.

rise to a system of balancing in order to preserve the political equilibrium.<sup>1</sup> In Northern Europe it appeared first in the wars of the Reformation. Both France and Sweden engaged in the Thirty Years' War to set a limit to the expansion of Austria. After Westphalia France constituted herself the champion of Protestantism in Germany in order to preserve the balance of power, notwithstanding the fact that the traditions of the French court were diametrically opposed to the new faith.<sup>2</sup> Similarly the Grand Alliance had for its object the preventing of the union of France and Spain under one sovereign.<sup>3</sup> In the wars which grew out of this the European principle prevailed over the ambitions of Louis XIV. The union of the crowns of France and Spain was declared dangerous to the peace of Europe. In the Treaty of Utrecht, 1713, the supremacy of the principle of the balance of power was definitely formulated. The third article of the treaty between the Emperor Charles the Sixth and Philip the Fifth of Spain reads: "In order to perpetuate the equilibrium of Europe it shall be established as a rule that the kingdoms of France and Spain shall never be united."<sup>4</sup> But France and Spain were both independent powers, and according to the accepted theory of independence had a right to dispose of their territory as they pleased. Thus, early in the eighteenth century the principle that there is a right higher than that which belongs to the individual nation is definitely recognized in practice. The conditions established by the Treaty of Utrecht continued till the French Revolution. During that time intervention was directed, not against the aggrandisement of Austria or France as nations, but against the too powerful house of Hapsburg or the dynasty of the Bourbons.

When Europe was again called upon to assert the principle new forces had begun their work. The identification of

<sup>1</sup> Johnson: *Europe in the Sixteenth Century*, ch. 1.

<sup>2</sup> Wakeman *European History, 1598-1713*, chs. 6 and 7.

<sup>3</sup> *Ibid.*

<sup>4</sup> Dumont: *Correspondence diplomatique*, vol. 8, pt. 1, p. 339.

the monarch with the state was less complete, having been undermined by the democratic ideas of the eighteenth century, and consequently, intervention to prevent the aggrandizement of particular dynasties no longer occurred. The coalitions from 1799 to 1814 were alliances between European powers against the alarming growth of France. Dynasty after dynasty had been overthrown, and by a system of federation, governments had been allied to France, establishing conditions altogether incompatible with the idea of the balance of power. After the overthrow of Napoleon the restoration of this balance was the first concern of the Powers. The declared object of the Treaty of Chaumont was "to put an end to the misfortunes of Europe, and to secure its future peace by the establishment of a fair equilibrium among the Powers."<sup>1</sup> The first of the secret articles attached to the Treaty of Paris, May 30, 1814, reads: "The disposal of the territories given up by his most Christian majesty under the Third Article of the Public Treaty, and the relations from whence a system of balance of power in Europe is to be derived, shall be regulated at the Congress of Vienna, upon the principles determined upon by the allied powers among themselves, and according to the general provisions in the following articles."<sup>2</sup> "A system of real and permanent balance of power, to be determined by the powers," therefore, was the avowed basis for the readjustment, rather than the doctrine of independence or the rights of the individual states. And this declaration was fully carried out in the actual redistribution of territory made by the Congress of Vienna, which entirely ignored the independence of several states. To assure the maintenance of the equilibrium of Europe, established in accordance with these principles, the Treaty of Paris provided for a permanent European Concert.<sup>3</sup> This council practically controlled the affairs of Europe for

<sup>1</sup> Lawrence: *Commentaires sur les éléments du droit international*, vol. 4, p. 220.

<sup>2</sup> Additional, separate and secret Article to the Treaty, May 30, 1814. Hertzslet: *Map of Europe by Treaties*, Vol. 1, No. 1.

<sup>3</sup> Martens: *Recueil Nouveau*, vol. 10, p. 109.



twenty years. It interfered freely in the concerns of other states, and from 1815 to 1848, the period often spoken of as the thirty years of peace, interventions are frequent. The European equilibrium, however, was not threatened, and cases based on it are absent.

But if the practice rested for the time in abeyance, the doctrine received an emphatic and formal enunciation immediately after the Belgian Revolution in 1830. In the protocol of the London Conference, on the fourteenth of February, 1831, the five Powers declared, in reference to Belgium and the Vienna Congress, that they "had constituted themselves the guardians, not of the sovereignty, but of the disposition of the Belgian Provinces, with the sole intention of making the provinces co-operate in the establishment of a just equilibrium in Europe, and the maintenance of the general peace." "They had the right, and events imposed it upon them as a duty, to provide that the Belgian Provinces, having become independent, shall not endanger the general security and the European equilibrium. Every nation has its rights, but Europe also has her rights. The peace and order of society has given them to her."<sup>1</sup>

In 1831 England and France protested against the entrance of all of Austria into the German Confederation. Lord Palmerston declared that "such a change by deranging the general balance of power, might in all probability lead to consequences of a very serious character, as affecting the interests of Europe at large, and cannot be carried into effect with due regard to the public law of Europe."<sup>2</sup> Similarly a treaty between the Powers in 1852 declares in the preamble that the maintenance of the integrity of the Danish monarchy, as connected with the general interests of the balance of power is of high importance to the preservation of peace.<sup>3</sup> So in 1855 "The Queen of England, the

<sup>1</sup> Martens: *Recueil Nouveau*, vol. 10, p. 199.

<sup>2</sup> Parl. Deb., vol. 105, p. 1355.

<sup>3</sup> Treaty between Great Britain, Austria, France, Prussia, Russia, and Sweden and Norway, London, May 8, 1852. *Hertslet*, Vol. 2, No. 230.

Emperor of the French and the King of Sweden and Norway, being anxious to avert any complications which might disturb the existing balance of power in Europe, \* \* \* resolved to come to an understanding with the view to secure the integrity of the United Kingdom of Sweden and Norway, \* \* \* and named their plenipotentiaries to conclude a treaty for that purpose."<sup>1</sup> In 1860 Napoleon added a new element to the idea of the balance of power, namely, that of compensation in order that the relative position of the nations interested might remain the same. He demanded adequate concessions to France for the union of Italy and of North Germany, and obtained Savoy and Nice.<sup>2</sup> Although this principle would be difficult to apply in Europe, it has become a recognized practice in the continents of Asia and Africa.

As late as 1870 Great Britain saw fit to reassert the right to intervention on behalf of the equilibrium in Europe, and by two separate treaties with France and Prussia, guaranteed the independence and neutrality of Belgium.<sup>3</sup>

Long before this, however, the principle had been applied in a different field, and produced new and important results. Since the first Greek Revolution the concert of the Powers had been active in adjusting the affairs of Greece, but so long as Greece only was involved the question of the balance of power did not arise. Gradually, however, the position of Turkey became a part of the situation and the leading nations of Europe took alarm. The autonomy of the Ottoman Empire was made the subject of international diplomacy in a manner that paid absolutely no heed to the right of that nation to independence.

In 1833 Russia, having aided the Sultan against Mehemet-Ali, while the other powers remained neutral, secured the consent of the Sultan to the Treaty of Unkiar-Skelessi. By

<sup>1</sup> Annual Register for 1856, p. 323.

<sup>2</sup> British and Foreign State Papers, 1859-60, pp. 343, 412 and 456.

<sup>3</sup> Hertslet, Vol. III, No. 427 and No. 428.

a separate article to the Treaty she not only became the Sultan's ally, but also acquired the right to constant interference in Turkish affairs.<sup>1</sup> Such a preponderance of Russian influence was considered a serious menace to the balance of power in the East, and England and France intervened.<sup>2</sup> The character of the protest and the serious consequences involved, forced Russia to give way. In 1841 she further agreed to participate in a convention of the five powers regarding the Danube and Black Sea, and by so doing yielded her avowed principle of never allowing the affairs of Turkey to come before a European Concert.<sup>3</sup>

The point here yielded by Russia formed the basis for the united action of the powers when Russia seized the Danubian principalities in 1851. The Vienna Conference of 1853 declared that, "the existence of Turkey within the limits preserved by the treaties, has become one of the conditions necessary to the European equilibrium."<sup>4</sup> Russia ignored the declaration and the Crimean War resulted. After the war the principle was reasserted by the Seventh Article of the Treaty of Paris,<sup>5</sup> and by Article Two of the separate treaty between England, France and Austria.<sup>6</sup> Accordingly, when Russia attempted to impose her own terms on the Sultan in the peace of San Stefano, in 1878, the powers at once asserted their claim, and again regulated the Eastern question in the general interest of Europe, at the Congress of Berlin.<sup>7</sup> A glance at the results of the Congress, and the historic conditions out of which it sprang, affords the clearest possible proof that the independence of

<sup>1</sup> Hertslet, Vol. III, No. 168.

<sup>2</sup> Note to the Porte, August 26, 1833, Hertslet, Vol. III, 928.

<sup>3</sup> Count Nesselrode to Prince de Lieven, January 6, 1827: "It is an old and invariable principle of our politics not to permit the establishment of that species of intervention by foreign courts, between ourselves and Turkey." *Handbuch des Völkerrechts*, Vol. IV, p. 168.

<sup>4</sup> Protocol of the Vienna Conference, December 5, 1853. Br. and For. State Papers, 1853-54, p. 1050.

<sup>5</sup> Hertslet, Vol. II, No. 264.

<sup>6</sup> Hertslet, Vol. II, No. 270.

<sup>7</sup> Hertslet, Vol. IV, No. 528 ff.

Turkey, because of the ethical principle involved, plays no part in the international relations between the powers in the East. The Eastern question is to-day under the control of a concert of the great powers, who keep a jealous eye on all acts that threaten to disturb the established equilibrium.

Whatever may be said of the doctrine of the balance of power from an ethical standpoint, the facts of history show that it has been a factor to which the theoretical right of independence has constantly yielded. The principle underlying the doctrine and practice has been, that the existing distribution of territory and power among the principal states at any one time is so essential to law and order in the society of nations that a disturbance of the *status quo* constitutes a valid ground for intervention.

It is, therefore, frequently in conflict with national and race tendencies. The unification of Germany and of Italy had to be accomplished in spite of the then existing basis for the balance of power. Conditions underlying the balance between nations in one period may be quite different from those of another. First it was based upon conditions established by the Peace of Westphalia, 1648, later upon those of the Treaty of Utrecht, 1713, and for the present century the state of possession established by the Congress of Vienna underlies both the principle and the practice.

### III.

Intervention in the affairs of another country to maintain or establish a particular form of government is not recognized to-day as justifiable or legal. In the opening years of the century, however, it was again and again asserted as a definite political principle. The conflict between the new and the old régime called forth the extreme views of both, and in the struggle, the

independence of states was ignored. A principle of intervention on political or on institutional grounds was set up. The first step is seen in the declaration of Pilnitz, in which the Emperor of Germany and the King of Prussia, "invoked the other powers conjointly with themselves to employ their forces in order to put the king of France in a situation to lay the foundation of a monarchical government, conformable alike to the rights of sovereigns and the well-being of the French nation."<sup>1</sup> In March, 1792, Austria issued her ultimatum, demanding, among other things, the reestablishment of the powers of the monarchy.<sup>2</sup> This was summarily rejected, and on April 20, France declared war, justifying herself in the "*Exposition des Motifs*" drawn up by Condorcet. This document formulates the principle of non-intervention on political grounds, and stands in strong contrast to the practice of Europe during this period. "The French people" it declares, "free to fix their own form of government, can in no respect have injured, while using that power, either the safety or the honor of foreign crowns."<sup>3</sup> In the manifesto issued by the Duke of Brunswick, the reasons for intervention are further set forth.<sup>4</sup> It is undertaken, says this manifesto, because the principles of Revolution are antagonistic to the ideas of monarchy and because the monarchs fear its contagious effects. But if this was the case already in July, 1792, it is not surprising that the ideas expressed in the manifesto prevailed after the execution of the Royal Family, the decree of the Convention, and the wars of Napoleon.

When the wars were over, the Powers, forgetting that the terrible struggle had been brought on largely by their intervention in the internal affairs of France, reasserted the principles which had formed the basis for their action during the first years of the Revolution. For the first time the

<sup>1</sup> Declaration of Pilnitz, August 21, 1791. Annual Register, 1791, p. 190.

<sup>2</sup> Annual Register, 1792, p. 301.

<sup>3</sup> Annual Register, 1792, p. 263.

<sup>4</sup> Annual Register, 1792, pp. 31 and 280.

forms of a coalition were preserved after peace was established. Regular meetings of the powers were arranged for, the first to be held at Aix-la-Chapelle in 1818.<sup>1</sup> In September of that year the Treaty of the Holy Alliance was signed, and thenceforth, the meetings became reunions of the despotic monarchs for the purpose of maintaining absolute authority against popular encroachments. A nefarious system of European police was set up to prevent popular outbreak, and, failing that, to join in suppressing it wherever it appeared.

The Congresses of Aix-la-Chapelle, Laybach Troppau and Verona were virtually sessions<sup>2</sup> of a European Concert, though Metternich, because of England's attitude, formally disclaimed any intention of establishing a permanent court of control. In a circular letter emanating from Troppau the "Powers who had recently stifled Revolution" claim that, "the Powers have exercised an undeniable right, in concerting together upon the means of safety against those states in which the overthrow of a government caused by revolution, could only be considered a dangerous example, and could not but result in a hostile attitude toward constitutional and legitimate governments."<sup>3</sup> The program of the Holy Alliance was still more definitely announced by Metternich in a Circular Dispatch on May 12, 1821. "Useful or necessary changes in the governments of states must emanate only from the free will and the thoughtful and enlightened initiative of those whom God has made responsible for power." "They (the Powers) will consider void, and contrary to the principles of the *public law* of Europe, all pretended reforms brought about by revolution, or by force."<sup>4</sup>

On this principle the intervention and restoration of absolutism in Spain, Naples and Piedmont were undertaken and

<sup>1</sup> Art. VI of the Treaty of Friendship, etc. Hertslet, Vol. I, No. 44.

<sup>2</sup> Hertslet, Vol. I, No. 36.

<sup>3</sup> Hertslet, Vol. I, No. 105.

<sup>4</sup> Circular Dispatch, May 12, 1821. Martens: *Nouveau Recueil*, Vol. V, 644.

justified.<sup>1</sup> England protested, and for some years France pursued the same policy. When Metternich issued his circular letter, she still disapproved of intervention of this sort. In a circular letter to his agents the minister of foreign affairs, Pasquier, writes concerning it: "This business is a novelty introduced into the law of nations. The first example of its practice was in France, and the recollection of its result should be sufficient to arouse national sentiment and diplomacy against the application of so fatal a principle."<sup>2</sup> Unfortunately for Europe, France departed from this policy. At the instigation of the Three Allies, whom she had joined at the Congress of Verona, in 1822, France carried out the intervention in Spain. That country had applied in vain to the powers of the Quadruple Treaty for help in subduing her rebellious colonies. England refused to co-operate, and without her fleet, the "rotten tubs" of Alexander availed nothing. But in 1822 the appeal of the wretched monarch was more successful. The armies of France reinstated absolutism; the constitution and liberalism were again suppressed. With the death of Alexander I. the Holy Alliance collapsed, but its principles continued to form the basis for the actions of the Three Powers in the affairs of central Europe till 1848.

During the early years of this period, England maintained a principle of non-intervention. In the first years of the Revolution her policy was strictly neutral. Pitt "entertained no fear of the great social upheavals,"<sup>3</sup> and when France declared war, on June 27, he announced that he had not the slightest intention of interfering in the internal affairs

<sup>1</sup> Declaration of the allied Sovereigns, May 12, 1821. Hertslet, Vol. I, No. 108.

In his Circular Dispatch to the British missions, January 19, 1821, Castlereagh says: "No government can be more prepared than the British government is to uphold the right of any state, or states, to interfere where their own immediate security and essential interests are seriously endangered by the internal transactions of another state," etc. Hertslet, Vol. I, No. 109.

<sup>2</sup> *Handbuch des Völkerrechts*, IV, p. 141.

<sup>3</sup> Pitt's speech in the House of Commons, February 9, 1790. Par. Deb., second series, vol. 28, p. 449.

of that country.<sup>1</sup> And in accordance with this principle, England at no time sought to impose a particular form of government on France. When the war was over and the absolutist tendency of the monarchs manifested itself, England's stand, in spite of the Tory ministry and Lord Castlereagh, in the foreign office, was uncompromisingly opposed to their pretensions. Such pretensions Castlereagh declared to be "in direct repugnance to the fundamental laws of the Kingdom," and "such as could not be safely admitted as the foundation of a system of international law."<sup>2</sup> This was a clear enunciation of the non-intervention principle, but single-handed, England could do nothing against the policy of intervention of the monarchs in Europe, during the twenties. Only in one instance, in the Spanish-American colonies, did she frustrate their plans. The protests against intervention in Spain itself were useless.<sup>3</sup>

Not till France joined her, after the July Revolution, was the power of the new principles sufficiently strengthened to crush Metternich's system. But it died hard. In September, 1830, Metternich protested against "the presumption of the French government, for its own convenience, to set up a new law of nations, which was nothing more than a complete overturning of all the rules which had until then guided the diplomacy of European states."<sup>4</sup> To him this would-be system of non-intervention was preposterous and over against it he placed the assertion that "the governments could never allow such a delimitation of the sphere of their action on the mere strength of so inapplicable a principle."<sup>5</sup> Accordingly, the threats of France did not

<sup>1</sup> Commons Debates, February, 1793. Par. Deb., Vol. 330, p. 345.

<sup>2</sup> Circular Dispatch to the British Missions, January 19, 1821. *Hertslet*, Vol. I, No. 107. Here the principle is admirably discussed, and the forces operating in the establishment of International Law clearly brought out.

<sup>3</sup> Canning's Letter on the thirty-first of March, 1821. *Annual Register*, Vol. 65, p. 141. Br. and For. State Papers, VII, 943. Par. Deb. VIII, 1135.

<sup>4</sup> Cited in *Handbuch des Völkerrechts*, IV, 143.

<sup>5</sup> *Ibid.*



stop Austria from intervening in Piedmont. Her troops occupied the Legations, while France as a counter-move sent her armies to Ancona. In the Netherlands, however, the new principle triumphed, and the proposed invasion by the troops of Prussia, in the interests of Holland was abandoned. At the Conference of München-Gratz a last futile attempt was made to rehabilitate the old system. It is true that in 1849 Russia intervened in the interest of Austria, against the Revolution in Hungary, and that not until the war of 1859 were the pretensions of Austria to intervene in Italy settled, but these are only the last convulsions of a dying cause.

On the other hand, a new phase of political intervention manifested itself during the days when absolutism was in its decline, and that, with the very powers who protested so vigorously against the absolutist policy of the allies. England and France entered on a series of interventions on behalf of constitutional governments. At the outbreak of the Belgian Revolution the Tory ministry in England, feeling itself bound by treaty obligations, proceeded to arrange for a conference of the powers, with a view to "an amicable interference." But the party was defeated before the date for the conference, and the Whigs, who were committed to non-intervention, came into power. Lord Grey, the premier, had said, before the Lords: "We are not bound to interfere by any obligation whatsoever, and since we are not bound, I repeat, my lords, that, in my opinion, sound policy, justice and respect for the independence of other people, as well as regard for the interests of this country, enjoin us on the present occasion not to interfere with the internal affairs of Belgium." And Lord Palmerston: "Every nation has a right to manage its own internal affairs as it pleases, so long as it injures not its neighbors."<sup>1</sup> In

<sup>1</sup> Speeches in Parliament, Par. Deb. III Series, Vol. II, pp. 693 ff. For the attitude of England during this period, see Sir Robert Peel's speech, June 29, 1850, Par. Deb. III Series, Vol. 112, p. 673.

spite of these declarations, England intervened in Belgium, Portugal, Spain and Sicily. By blockading the coast of Holland, England and France forced that country to recognize Belgian independence.<sup>1</sup> In the Quadruple Treaty of 1834<sup>2</sup> the two countries guarantee their aid against Don Carlos and Don Miguel, the representatives of the reactionary and despotic tendencies in Spain and Portugal, affording a striking illustration of how these two states, in their eagerness to support constitutionalism, went almost as far in interfering in the internal affairs of other states as did Metternich himself. The claim to the right of intervention in support of constitutionalism must rest on precisely the same principle as do the acts of the Holy Alliance. On two subsequent occasions, namely, in Portugal in 1846,<sup>3</sup> and in Sicily in 1848, Great Britain acted in a similar arbitrary manner, though again, as is now recognized, in behalf of civilization and progress.<sup>4</sup>

Since the middle of the century, the practice of intervention on behalf of political doctrines or institutions has fallen into disuse. I have treated it thus fully because it is the only phase of the doctrine and practice which has had a completed growth, and which can therefore be looked at as a whole. Further, it illustrates with great clearness the intimate connection between the practice of intervention and dominant political ideas and conditions. It shows that the

<sup>1</sup> This intervention affords Stapleton an opportunity for an impassioned arraignment of the Liberal party. He puts the intervention in Belgium on the same plane as the intervention of the Holy Alliance. But he forgets that the very principle for which he is contending condemned from the outset the arbitrary union at Vienna, of two peoples so radically different in language, race, and religion. By demanding the recognition of Belgian independence, which had been virtually attained, the Liberal party merely rectified another of the acts of Metternich's policy, and by so doing took a positive step in favor of freedom on the Continent. But we are not concerned so much with the justice of the act, as with the fact that intervention was adopted by the two countries farthest advanced in ideas of liberty and government, notwithstanding the theory of the *laissez-faire* writers that Holland had the right to settle her own affairs.

<sup>2</sup> Hertslet, Vol. II, No. 171.

<sup>3</sup> Müller. Political History of Recent Times, p. 143.

<sup>4</sup> Fyffe, Vol. III, 112.

diplomacy of Europe, and the action of the powers during the period did not proceed from the theory of the political equality of states, and that outside of England and the United States, the autonomy of the individual states was entirely ignored. x

#### IV.

Intervention to prevent intolerance, anarchy and insecurity to life and property has been very common, though there has been little uniformity in the practice. Here perhaps, more than anywhere else, motives for intervention are complex. Persecution is generally attended with excessive cruelty; anarchy and crime not only shock the moral sense of the civilized nations, but also jeopardize commercial interests and render life and property insecure. Consequently, moral and religious causes for intervention are usually joined with commercial reasons.

The oldest form of intervention under this class is that based on religion. But it should be noted at the outset that nearly all cases nominally undertaken on the plea of religion are at bottom political in character.<sup>1</sup> The practice of intervention on religious grounds begun during the Reformation period, received definite sanction in the subsequent treaties. Thus the Treaty of Westphalia made special provision for equality of rights between Catholics and Protestants. France was made the champion of the Protestant cause, a position which she very soon turned to a pretext for constant interference in the affairs of Germany. The interventions of Elizabeth, Cromwell and Charles II. in the interests of foreign Protestants are further examples of the practice.<sup>2</sup> Indeed there is scarcely a treaty during the seventeenth and

<sup>1</sup> Martens : *Précis du droit des gens*, I, 261, says: "Every war in which religion served as a motive makes it evident that religion has never been the sole motive which induced the Powers to engage in war." This is true in modern times, but scarcely so for the seventeenth and eighteenth centuries.

<sup>2</sup> In 1690 Great Britain and Holland intervened in Savoy, and obtained for a portion of the Sardinian subjects the right to exercise their religion. In 1707 Sweden interfered in favor of the Polish Protestants.

early part of the eighteenth century that does not contain provisions in behalf of adherents of one or other of the two great religions.<sup>1</sup> Europe was divided into two hostile camps, and out of this grew a practice of intervention, based on religion which has since entirely ceased.

As early as Richelieu the abuse of the principle was apparent. By a peculiar refinement of policy France ruthlessly suppressed the Huguenots, while she zealously intervened in behalf of the Protestants of Germany. The political object is manifest. So it was with the Russian assumption of protectorships over orthodox Christians in Poland. In Turkey her use of religion as a pretext was even more apparent, and the powers flatly refused her claims, although they were based on treaty agreement with the Sultan.<sup>2</sup> Again, despite the Czar's assurances that the war against Turkey in 1854 was purely religious, the political object was sufficiently evident to lead to the Crimean war.<sup>3</sup>

The numerous instances of intervention connected with the papacy are usually treated under this head, but there seems to be little difference between the papacy as a temporal power and other political states. In 1826 the papacy declared that its temporal power, "was absolutely necessary in the actual order of Providence to the independence and liberty of the Church."<sup>4</sup> Metternich supported the claim. In a note to Thounévil he says; "The capital of the Catholic World belongs to all Catholic nations. It is the residence of the sovereign pontiff and contains the establishments and archives of Catholicism. Nobody has the right to deprive him of them, and Catholic powers have the right to maintain it."<sup>5</sup> Opposed to this were the national interests of Italy, and in the conflict which arose Napoleon III. inter-

<sup>1</sup> Olivia, 1660, Art. II, Nimwegen, 1679, Art. IX, Ryswick, 1698, Art. IV, Utrecht, 1713, Art. LXIII.

<sup>2</sup> Treaty of Kutschouc Kainardji, 1774.

<sup>3</sup> Correspondence respecting the rights and privileges of the Latin and Greek Churches in Turkey. Br. and For. State Papers, 1853-1854, pp. 1049-1056.

<sup>4</sup> Allocution, March 25, 1862. iv, 147.

<sup>5</sup> Note to Thounévil of May 28, 1861, *ibid.*

vened.<sup>1</sup> With the exception of a few months in 1867 French troops occupied Rome for twenty-one years, till the final annexation of the City to Italy in 1870, and the abolition of the temporal power of the papacy.<sup>2</sup>

In modern times intervention on religious grounds is rare. The latest case occurred in a provision of the Congress of Berlin, in which the Powers made religious tolerance a condition of independence to the three Danubian Provinces.<sup>3</sup> On the other hand there is a feature of this kind of intervention which is peculiarly a growth of the present century. The moral sentiment of civilized peoples in modern times has been frequently aroused and governments have been forced to intervene in cases where intolerance has become apprehensive and cruel. When the Greeks applied for assistance in their struggle for independence in 1822, the Holy Alliance looked at the appeal as coming from rebels in arms against their legitimate sovereign. The Greeks were told, "the sovereigns are determined to discountenance the principle of rebellion, however and wherever it shows itself."<sup>4</sup> But the monarchs did not reckon with popular sympathy throughout Europe. Missolonghi fell after a heroic defence, followed by the capitulation of the citadel at Athens on June 5, 1827. Within a month the policy of delay and non-intervention on the part of the governments gave way.<sup>5</sup>

The agreement between England and Russia in regard to intervention was signed by France on July 6, 1827.<sup>6</sup> The treaty provided that the contracting powers would not "take part in the hostilities." Just how they were to carry out intervention it is difficult to see, and the anomalous position

<sup>1</sup> Speech of the Emperor before the Chambers, March 1, 1860, Br. and For. State Papers, 1859-60, p. 630.

<sup>2</sup> Fyffe III, p. 472.

<sup>3</sup> Congress of Berlin, Art. 27, 35, 44. Hertslet XIV, No. 528. For a discussion of this action of the Powers, see Lord Salisbury's Answer to the Anglo-Jewish Association, July 25, 1879.

<sup>4</sup> Muller, p. 75.

<sup>5</sup> Br. and For. State Papers, 1822-1828. Index.

<sup>6</sup> Hertslet, Vol. I, No. 129.

appears in the subsequent results. The Turkish fleet entered the Bay of Navarino and landed the Egyptian troops on September 9th. In an interview between the allied admirals and Ibrahim, a cessation of hostilities was agreed upon. In spite of this the troops continued their barbarous devastations, and when the fleet tried to escape the only thing to be done was to enforce the terms of the armistice. Accordingly without a declaration of war, and amid protestations of friendship, the Turkish fleet was sent to the bottom. As intimated at the outset the motive in this instance was by no means entirely humanitarian in character. Three reasons are given, and among these the English government laid most stress on "the great evil pressing seriously upon her Majesty's own subjects."<sup>1</sup>

Similarly the insecurity to life and property resulting from the state of anarchy in Greece induced the powers in 1856 to land troops and restore order.<sup>2</sup> In the same protocol is the declaration that, "the Pontifical States are equally in an abnormal state; that the necessity for not leaving the country to anarchy, had decided France and Austria to comply with the demands of the Holy See, to occupy Rome and the Legations."<sup>3</sup>

Of greater significance is the action of five of the Powers in 1886, in instituting a pacific blockade of Greece in order to prevent her from fighting Turkey. Similarly in 1897, all the European powers decided to put the Island of Crete in a state of blockade.<sup>4</sup> More recent still is the intervention of all the Powers—the United States acting in concert—now going on in China to compel the government to suppress the Boxers. Besides the sending of troops to Peking, the pacific blockade of the Pei Ho river and Tien Tsin is contem-

<sup>1</sup> Br. and For. State Papers, 1826-32.

<sup>2</sup> Protocol to the Treaty of Paris, 1856. Br. and For. State Papers, 1855-56, p. 122.

<sup>3</sup> *Ibid.*, p. 123.

<sup>4</sup> Correspondence, Br. and For. State Papers, 1898-99.

plated.<sup>1</sup> But these all show that humanitarian reasons of themselves are rarely sufficient to bring about intervention.<sup>2</sup> In the three cases cited other motives, equally strong existed. Anarchy leads to insecurity of life and property and jeopardizes the interests of other nations.<sup>3</sup>

Sometimes, however, these conditions have been allowed to continue and claims for reparation and indemnity have arisen. In many cases the negligent power has refused to meet the demand and intervention has been resorted to by the nations injured. Thus in 1837 France sent a fleet to blockade New Grenada, and enforce her demands. The following year the coast of Mexico was placed under blockade for six months in order to secure an indemnity to French subjects and to gain for them exemption from excessive taxes and forced loans.<sup>4</sup> One fort was taken, forty-six neutral vessels captured and confiscated, and four Mexican vessels sequestered. By the decision of the arbiter (Queen Victoria), to whom the case was referred, France was sustained in her action. Numerous minor instances might be cited, as for example the blockade of Greece by England to compel the government to make reparation to Don Pacifico, a Jew from Gibraltar whose house had been pillaged.

## V.

Intervention based on treaty rights or obligations has been common since the peace of Westphalia. On the

<sup>1</sup> *Neue Freie Presse*, June 5, 1900.

<sup>2</sup> The Armenian massacres need only be mentioned. For particulars, see Br. and For. State Papers. 1889-1896, pp. 367 ff.

<sup>3</sup> The efforts made in the suppression of the slave trade are usually introduced here, but as there was no attempt to force any state into a particular line of action in regard to it, and as slavery was practically declared to be piracy by the majority of nations in the Treaty of Peace, 1815, I have omitted the subject altogether. See Hertslet, Vol. I, No. 40, Additional Article.

The final steps to suppress the East African Slave Trade are described in State Papers, Africa, No. 7 (1890).

<sup>4</sup> For the intervention of France and England because of cruelties inflicted upon political prisoners, see Annual Register, 1856, p. 234.

ground that previous agreements guaranteed to them special rights and privileges, the states of Europe have again and again assumed the right to intervene in order to secure their privileges. Foremost in the practice come the instances of intervention growing out of treaties guaranteeing the succession to a certain house or dynasty to the exclusion of another. It is needless to say that this form of treaty has become obsolete; it went along with the patrimonial concept of the state. On August 26, 1790, the National Assembly declared that France would no longer observe those provisions of the family compact of 1761, which related to the monarchs of the Bourbon dynasty, though it would stand by "the defensive and commercial clauses" which its government had contracted with Spain by that compact. By the treaty of November 20, 1815, the contracting powers excluded the Napoleonic family forever "from the supreme power in France."<sup>1</sup> But when the French people elected Louis Napoleon president in 1848 and he became emperor four years later, the powers no longer considered the treaty as binding. In the secret protocol of December 3, 1852, they declare "that the changes which have taken place in the internal conditions in France since the period of 1815 have so modified the order of things to which the previous treaties referred that it would be impossible to apply them to the events which have just transpired; that in consequence the courts of Austria, Great Britain, Prussia and Russia will respect the entire independence of France under the government just established by the will of the nation; that they have resolved to recognize the Prince President as Emperor of the French."<sup>2</sup> Nor did the powers consider themselves bound to intervene in Greece in 1862, though Art. IV of the Treaty of 1832 declared that "Greece shall form a monarchical and independent government, under the sovereignty

<sup>1</sup> *Handbuch des Völkerrechts*, iv, p. 137.

<sup>2</sup> *Ibid.*



of Prince Otho of Bavaria and under the guarantee of the three powers."<sup>1</sup>

As has been seen, France for many years interfered in the affairs of the Germanic Confederation, on the ground that the Treaty of Westphalia not only gave her a right but imposed it upon her as a sacred duty.<sup>2</sup> In 1826 Canning based English intervention in Portugal on similar grounds. England went to the aid of Portugal, he said, "in discharge of a sacred obligation, contracted under ancient and modern treaties." "Let us fly to the aid of Portugal by whomsoever attacked because it is our duty to do so, and let us cease our interference where that duty ends. We go to Portugal, not to rule, not to dictate, not to prescribe constitutions, but to defend and preserve the independence of an ally."<sup>3</sup> A second motive, namely, to support constitutionalism and oppose absolutism, has been noted. When Turkey refused to give up the port of Dulcigno to Montenegro in 1880 in accordance with treaty agreement the powers intervened, the combined fleets appeared before Dulcigno and compelled the transfer.

The Quadruple Treaty of 1834, spoken of above, should be mentioned here, as it affords a striking example of how such a treaty may lead to an alliance with a party within a state. Sometimes obligations are imposed by treaty on a state against its will, as was the case of Russia in the Peace of Paris, in which she had to submit to the article neutralizing the Black Sea.<sup>4</sup> As is well known Russia took advantage of the Franco-Prussian War to declare that she would no longer abide by the provision, and the London Conference yielded the point.<sup>5</sup> Another good instance is the agreement between Great Britain and the South

<sup>1</sup> Hertslet, Vol. II, No. 159.

<sup>2</sup> Art. 17, §§ 5 and 6 of the Treaty of Westphalia.

<sup>3</sup> Canning's speech in the House of Commons, December 11, 1826. *Annual Register*, xviii, 192.

<sup>4</sup> Peace of Paris, Art. 13. Hertslet, Vol. II, 264.

<sup>5</sup> Br. and For. State Papers, 1870-71, p. 1193.

African Republic in 1884, by which the latter could make "no treaty with any state other than the Orange Free State, nor with any of the native tribes east or west of the republic, without the approval of Great Britain."<sup>1</sup>

Intervention based on treaty agreement has been regarded by certain writers on international law as the only phase of the practice which rests on a legal basis. Lawrence says: "We may visit with the severest moral condemnation the state which acts on it; we cannot brand the action as illegal."<sup>2</sup> The special claims to legality attributed to this form of intervention will be treated later. The unique place given it by the commentator seems to be entirely unwarranted. It is as if a writer on common law declared violations of contracts between individuals the only legal ground for the remedial interference of the courts.

From this historic survey it appears that the practice of intervention does not consist of a number of disconnected, haphazard instances, as is so often supposed.<sup>3</sup> The cases are all based on one or the other of the foregoing principles and show a remarkable degree of uniformity. The tendency is manifestly toward a higher respect for the rights and independence of the large nations, while the independence of small states is made subservient to the higher interest of the society of states. In regard to the various grounds that have served as a basis for intervention in the past it would appear that some have been entirely abandoned, while others are firmly established.

Intervention to prevent hostile acts, when the danger is imminent, is established to-day both in doctrine and practice. A disturbance of the balance of power in its modern

<sup>1</sup> Treaty of Feb. 7, 1884, Art. 4. Br. and For. State Papers, 1883, 1884, p. 5.

<sup>2</sup> Lawrence: International Law, Sec. 19.

<sup>3</sup> The partitions of Poland, so commonly cited as instances of the crime of intervention, were not cases of intervention at all. Instead of proposing to force Poland into a particular line of action, the three powers were intent solely on conquest.

form stands as the ground for the assertion of the higher European right. Revolution and the establishment of a new form of government have not been considered as acts calling for the exercise of intervention since the first half of the century, and the principle seems so antagonistic to modern political thought that it may be said to be abrogated. Intervention on humanitarian grounds is recognized, though it appears that national self-interest has usually been too powerful to allow intervention for humanitarian reasons solely. The precedents show that the stronger motives based on political and economic interests are usually necessary to induce states to intervene. Indeed intervention under this head is always based on a number of different but closely allied grounds, and as such is considered legitimate. In regard to intervention based on treaty agreement the precedents do not speak with any degree of precision. We saw that treaties securing a claim to intervention often became anachronisms, while others are in their very nature antagonistic to the consensus of opinion and precedents, and are therefore illegal from the beginning. With these two exceptions the practice seems to recognize a violation of a compact between states as a legitimate ground for intervention.

If we look for the legal foundation for the practice of intervention, we must bear in mind the essential nature of law. Law is the sum total of all those settled customs, established precedents, official ordinances and legislative enactments that have grown up and been established for the orderly settlement of personal and property relations. In other words, law is the established order of a political society.<sup>1</sup> By the same reasoning we may say that international law is the sum total of all those settled customs, precedents and international rules which have grown up and been estab-

<sup>1</sup> Law is any rule or canon whereby actions are framed. Hooker, Ecclesiastical Law, I, iii, 1.

lished by the larger society of nations for the orderly conduct of international relations.

Nor must we lose sight of the legal essence of international law because of the difference in sanctions. National law has provided regularly appointed and disinterested agencies for the determination and enforcement of the rules governing the individual members of the state. Not so with international law. There are no regularly appointed tribunals and agencies to impose sanctions and to enforce obedience. There is no organized authority. Nevertheless, there is a sanction which, though less certain and less favorable to a just determination, is still possessed of all the force which national political organization can give. This sanction, owing to the absence of organized authority, depends on the political power of the individual nation or nations, which is set in motion for the enforcement of international law.<sup>1</sup> In other words, the work of police must be done by members of the community who are able to enforce the rules. Primarily, the rules of international law may be said to be directed toward the orderly and peaceful conduct of international affairs. So long as nations abide by the rules of orderly conduct, conflict will not arise. When they deviate from the rule the sanction may be applied, and resistance thereto brings war. Intervention occupies a place intermediate between the breach of the law and the application of the sanction. It may be said to have grown out of the practice of nations in their efforts to secure a respect for international right without war. It always carries with it the ultimatum of war in case of resistance. Intervention, therefore, may be considered as one of the steps in the enforcement of international rights.

The force of the sanction to international law has been such as to inspire the individual nations with a wholesome respect for its rules. The effect is to cause the several

<sup>1</sup> By sanction is meant both the penalty and the power necessary to enforce. The three essential elements of law being the rule, the obligation and the sanction.

nations to subordinate their own actions to the larger interest. Self-restraint becomes one of the leading factors in international relations. This self-restraint is based, first, on the principle of self-interest which each nation has in the maintenance of orderly conduct and a definite practice; second, on the fear of consequences arising from a violation of the rule, and third, on the force of national ideals and a law-abiding spirit which are basic to the consensus of international opinion. As in national law it is the certainty of the operation of the rule, the power of enforcing it, and the cost of an infraction that assures its observances on the part of those in whom the spirit of legality is absent.

In most branches of international law, the questions involved are not sufficiently weighty to tempt governments to self-assertion and defiance of the sanction. The matters in dispute concern private interests, consequently the line of action of the different states has been more uniform; precedents have been more readily formed, and the growth of a consensus of opinion and the establishment of a sanction has been more constant and regular. But in the cases where intervention is involved, the questions are usually of fundamental importance, often such as concern the very existence of the particular states. Therefore the development of precedents and rules has been very slow. They have frequently been the result of the supremacy of one state or group of states standing for particular principles, or of a compromise between the representatives of conflicting principles and interests. Intervention has depended more on political policy; on the prevailing thought and institutions of different periods of history. As we have seen, rules and precedents regarding intervention that were once valid differ widely from our present day standard. For example, when the Continental powers intervened in behalf of monarchy in the early years of this century, the conditions existing in the countries against which intervention was undertaken, and the acts of their citizens were honestly looked upon as

infractions of the rights of other states. That we no longer consider such acts and conditions just grounds for intervention does not affect the principle. In common law, many acts that once called down upon the offender the severest punishment, are to-day regarded as not even misdemeanors. The old ideas have been sloughed off. Similarly, acts and conditions once considered criminal and inimical to the society of states in international law, calling for the exercise of the high proceeding of intervention, are no longer regarded as such. It must be borne in mind that the doctrine and practice of intervention has gone through a process of evolution; that the causes justifying intervention at any period may be entirely out of accord with the standards of another, and yet be, historically, perfectly just and legal.

Hence the rules cannot be permanently fixed, as they may be in many other branches of international law. But this does not affect the principle that appears everywhere in our study of the cases, namely that there does exist a right of intervention. The practice shows clearly that states have proceeded from the basis of a group right; the higher interests of the community of nations, as opposed to those of the individual political unit. Individual rights do not appear in the practice as the "*ne plus ultra*" in international law any more than in national law, and the assertion by commentators that intervention can have no legal status, because it is antagonistic to the highest of all international rights, namely, the right of independence, is therefore based upon a false assumption and contrary to the attitude of the leading nations. The practice of nations indicates that they have proceeded from a different assumption; they have assumed that the society of states has certain rights which each state is bound to respect. Their action is based on the principle that there are certain obligations which states owe to each other, and which no state is at liberty to violate; that there is a power residing outside

the individual state superior to it, which assumes to dictate what the individual state may or may not do in its dealings with others; that there is a right superior to national right, and which in a measure controls national will, and that the practice of intervention is a means admissible for enforcing these higher claims against the individual state. Else, how can we explain the consistent assertion of the rights of Europe as opposed to the claims of particular states, the frequent joint interventions, and the modern practice of pacific blockade? Instead of proceeding from the theory that acts of intervention are wrongs—infractions of right—nations have uniformly claimed to act as of right; that in each case the exercise of what they esteemed the right of intervention has been undertaken either as a means of preventing what they considered a wrong, or as a remedy for what the age interpreted as a violation of international obligations.

There has been, however, no international tribunal for the adjudication of such cases. Remedial rights in international affairs can only be enforced through the machinery of individual national governments. This has usually been the political department of the government suffering from a real or supposed breach of international obligation. It is not surprising, therefore, that the decisions of this tribunal, bear a strong political coloring; have in fact, as was stated above, proceeded from the political conditions and ideas of the time.

During the period from 1648 to the French Revolution the idea that the monarch was the state pervaded political thought. Consequently it was only natural that the cases of intervention of that era should nearly all be directed against the undue aggrandisement of certain dynasties. A doctrine of the balance of power with respect to the territorial possessions of the monarch grew out of the identification of the territory of the state with the personal domain of the sovereign. Again, the widespread religious controversy

which formed one of the most important features of the history of Europe during this period, was strongly reflected in the practice of intervention, and shows even more clearly the intimate dependence of the doctrine and practice upon economic and political conditions. Practically all of the cases of intervention of the time were undertaken either on behalf

of the balance of power or on religious grounds.

Between the outbreak of the French Revolution and the revolutions of 1848, the doctrine of the balance of power was strongly reasserted in the adjustment at the Congress of Vienna, but the greater number of cases of intervention during these years were based on a different principle. They were carried out in the interests of certain forms of government and of political institutions. Here again the peculiar political conditions of the time formed the basis from which intervention proceeded. A conflict between the democratic ideals of society and government promulgated by the revolution, and the absolutism of the old régime marks the entire period. The strong reaction after the Napoleonic wars had swept all before it, and found expression in a doctrine of intervention based on the principles of the Holy Alliance. For nearly fifteen years the doctrine thus established formed the basis for the action of the continental powers. England, being less affected by the reaction, protested; but single-handed she could do nothing. When, however, the United States joined her in forbidding the application of the continental doctrine in the Spanish-American colonies, she was successful. The commercial interests of England, joined with the democratic ideals of the United States, created a force sufficiently powerful to assert itself against the established rule. With the July revolution of 1830 democracy triumphed in France and that country immediately passed over to the side of England. This brought about an equilibrium of power between the conflicting tendencies, which had before been absent. As a result we find the old principle of intervention on political grounds yielding rapidly to the



new doctrine of non-intervention, which was in harmony with the rising liberalism and the new ideals.<sup>1</sup>

With the triumph of liberalism in the middle of the century a new era began. An intense national spirit swept over Europe, which, combined with the momentous changes of the industrial revolution, left a lasting mark on the political system of every state. New ideals dominate the modern period. The form and content of national institutions has been changed. As a result, the doctrine and practice of intervention have undergone profound modifications. The growth of large states shifted the basis for the idea of the balance of power. The rounding out of Italy and Germany abolished conditions which had constituted a hot-bed for breeding intervention. Conditions of equality were established among a group of large nations, which, together with the advent of the United States as a strong neutral power, is working rapidly toward the establishment of a sanction. Economic and commercial interests, more strongly even than political forces, are tending to foster a spirit of legality in international relations. The results of this are particularly manifest in the frequent actions in concert, and in the attitude of the group of large powers toward the smaller states. Not only are these often put in tutelage and relieved of many of their onerous international duties, but again and again as we have seen, the large powers either by pacific blockade or in some other manner, intervene in their affairs in order to enforce the fulfillment of international obligations.

These and other recent developments all show that intervention is becoming more and more recognized as the legal means by which the society of nations enforces its rights.

<sup>1</sup> Here the forces operating toward the development of law, international as well as national, are clearly seen. Just as soon as there is sufficient power back of certain ideals or demands they become law; rules governing and determining actions. For example, a certain class or organization may have sufficient influence to secure legislation highly favorable to its peculiar interests, though the majority of the people are not at all in favor of it.

This is true whether it is carried out by several states or by an individual state, acting in accordance with precedent and the consensus of international public opinion, although the modern practice shows a strong tendency towards action in concert. *Intervention, therefore, instead of being outside the pale of the law of nations and antagonistic to it, is an integral and essential part of it ; an act of police for enforcing recognized rights, and the only means, apart from war, for enforcing the rules of International Law.*

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## THE CURRENCY LAW OF 1900.

After a prolonged and wearisome passage through Congress the measure commonly known as the Gold Standard Bill became law March 14, 1900. It has been claimed that this law marks a distinct and important epoch in our monetary legislation, but however this may be, it is fundamental for our present money system. It touches upon a wide variety of subjects, and if not the final word with regard to our money is at least a significant step toward a codification and systematization of our laws in regard to the currency. As its title<sup>1</sup> indicates it is more than a simple reaffirmation of the gold standard.

It is needless to say that the law of 1900 did not establish the gold standard, but simply reaffirmed in formal terms what already existed. In its original form as it passed the House of Representatives it did little more than this, but did it in terms which admitted of no misunderstanding. At this phase of its existence the bill declared that while under ordinary circumstances redemption in gold should be confined to the United States notes and the treasury notes of 1890, the Secretary of the Treasury might in his discretion, at any time that he deemed it necessary to maintain the parity and equal value of all the money of the United States, exchange gold coin for any other money issued or coined by the United States.<sup>2</sup> But this logical provision, which not only declared the intention of maintaining a parity of the different forms of money, but established a means for doing so, by the redemption if need be of the silver dollars, did not command the assent of the Senate. Unwilling to accept this simple provision, and yet desirous of effecting the

<sup>1</sup>An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

<sup>2</sup>H. R., 1, §4, lines 15 to 18.

same ends, the Senate grafted upon the House bill a variety of provisions which made the measure far more complex and which require analysis. The House bill introduced a new principle into our monetary system, the Senate was content to leave things essentially as they were while providing a machinery for redemption which is better than that which existed before, and more complete than that proposed by the House. The law as passed is essentially the Senate bill, and our concern is henceforth wholly with the law as it stands.

It is a complex and wordy measure, but its main features can readily be reduced to two, namely provisions for a better machinery for the redemption of notes and maintaining the gold standard, and secondly provisions for increasing the circulation of national banks.

To fully understand how the existing machinery is better than that which prevailed before, a brief historical retrospect is necessary. The gold standard in the United States rested upon the Resumption Act of 1875, which provided that on and after January 1, 1879, the legal tender notes should be redeemed in gold on demand at the United States Treasury and its branches. The quantity of notes outstanding was fixed by law at a maximum of 347 million dollars. For redemption purposes no definite amount of gold was prescribed, the Secretary of the Treasury being authorized to accumulate gold for the purpose from current revenues of the government, and if need be, by the issue of five per cent bonds.

The gold thus accumulated soon became known as the gold reserve, though it was in fact only the gold balance of the treasury, no provision being made for its separation from other funds. Though fixed by no law, the impression gained currency that the normal size of the gold reserve was one hundred millions of dollars,<sup>1</sup> and the secretaries of the

<sup>1</sup> It should be noted that the figure of one hundred millions was associated with the gold reserve through the provisions of a later law, that the issue of gold certificates should cease when the gold balance of the treasury fell below this point. (See also Sec. 6 of the present law.)

treasury for many years were able to keep it above this point. The success of the reserve system depends upon preserving an adequate relation between the reserve and the liabilities. Up to 1890, the only direct liability against the gold reserve of the treasury were the United States notes, whose amount was fixed by law. But all the money of purely domestic circulation constitutes in reality an indirect liability against the gold supply. Directly or indirectly, in the free circulation or through the treasury, this money may be exchanged for gold, and the safety of the gold standard depends therefore upon the proportion which the aggregate gold bears to the total money supply.

In 1879 our money consisted of gold, silver dollars, United States notes, and national bank notes. The United States notes only were fixed by law, silver was increasing by the terms of the law of 1878, and the national bank notes were at least capable of expanding. The safety of the gold standard depended upon the question whether gold would so increase as to preserve a proper relation to the other three combined. The experience up to 1890 is embodied in the following table :<sup>1</sup>

<sup>1</sup> This table has been constructed by taking the statements in the Reports of the Secretary of the Treasury of the money issued, omitting the duplications which arise from the issue of certificates, and omitting also the subsidiary coinage. It represents therefore the aggregate money in denominations of one dollar and upwards. Under silver we have given the whole amount of silver dollars including bullion in the treasury reported. This sum is a little larger than the whole number of silver certificates plus the actual silver dollars in circulation. The difference, however, is not great, and even if this amount consisting of uncoined and unrepresented bullion in the treasury were omitted it would not affect the general result.

In this table the Treasury reports are accepted as accurate. I have elsewhere (*Forum*, August, 1899) sought to show that the volume of gold is overestimated. If those conclusions are correct the proportion of gold is in reality less than that reported, and if, as I have sought to demonstrate, the missing gold has been gradually extracted from the currency, it is probable that the increase in the proportion of gold has been less than these figures indicate. However, we cannot substitute estimates year by year for those of the Treasury, as the materials for such estimates are lacking. We are, therefore, under the necessity of taking the figures as given, which show approximately the gold movement, the main point of interest in our present discussion.

July 1.	MILLION DOLLARS.					Per cent of Gold.
	Gold.	Silver.	Legal tenders.	Nat'l Bank notes.	Total.	
1879	246	41	347	329	963	26
1880	352	70	347	344	1,123	31
1881	478	95	347	355	1,275	37
1882	507	123	347	358	1,335	38
1883	543	152	347	356	1,398	39
1884	546	180	347	339	1,412	39
1885	589	208	347	319	1,463	40
1886	591	237	347	311	1,486	40
1887	655	277	347	279	1,558	42
1888	706	310	347	252	1,615	44
1889	680	344	347	211	1,582	43
1890	695	380	347	186	1,608	43

While the law of 1878 was piling up silver the notes of the national banks after 1882 diminished so that a fairly constant proportion of gold was preserved. It is idle to speculate what might have taken place had there been no silver legislation, but it is reasonable to suppose that under such circumstances our money supply would have increased by a growth of the gold element.

In this comparatively stable though far from ideal situation the law of 1890 brought chaos and disorder. The multiplication of credit money proceeded more rapidly, the bank notes ceased to dwindle, and in a comparatively brief space of time the gold in our money system fell to a smaller proportion than had been known before. The new treasury notes of 1890 were directly redeemable, and while the direct demand upon the treasury increased the gold reserve was not proportionally increased. It is not our intention to recite the painful history of the years 1893 to 1896. We still held in theory to a gold reserve of \$100,000,000, but the deficiency in current revenues made it impossible to maintain it at this figure even with resort to the borrowing power. In the troubles of 1893 to 1896 the treasury bore the brunt of the distress, and public attention was fastened

almost exclusively on the gold reserve of the treasury. In the ultimate analysis, however, the situation of the treasury is only one factor in the case, and a larger view would comprehend the relation of gold to the aggregate money of the country. The repeal in 1893 of the law of 1890 was the beginning of a better state of things. It stopped inflation, but could not at once check the effects of inflation, and the reaction was delayed. Since the year 1893 the only freely expansible element in our currency has been gold, and true to the maxim that the volume of money adjusts itself to the needs of the country, we have recently seen a notable increase in our gold, and hence in our aggregate money.

The following review of the situation since 1890 shows us the alternate deterioration and improvement of our currency:<sup>1</sup>

July 1.	MILLION DOLLARS.						Per cent of Gold.
	Gold.	Silver.	Treasury notes.	Legal tender.	Nat'l Bank notes.	Total.	
1891	647	373	50	347	168	1,585	41
1892	664	388	102	347	173	1,674	40
1893	598	388	147	347	179	1,659	36
1894	627	390	152	347	207	1,723	36
1895	636	391	146	347	212	1,732	37
1896	599	395	130	347	226	1,697	35
1897	696	427	115	347	231	1,816	38
1898	861	457	101	347	228	1,994	43
1899	963	468	94	347	241	2,113	45

The present law seeks to avoid some of the evils of our past experience by improving the relations of the treasury to the currency. It hopes to attain these ends by making the gold reserve, in the first place, adequate, and in the second place inviolate.

<sup>1</sup> In preparing this table the caption silver includes the amount of silver dollars actually in circulation plus the silver certificates issued against silver dollars. The figure thus obtained is lower than that given under "silver dollars including bullion in the treasury," as it takes no account of the bullion. This has been since 1890, a quantity so considerable that it cannot be neglected. The difference in the method of computation explains why the silver of 1891 is slightly less than that given for 1890 in the former table.

It has been made clear that the question of the reserve is primarily one of the relation of the treasury holdings to the obligations directly redeemable in it. Under the old régime with a reserve of 100 million dollars and a circulation of United States notes of 347 million dollars, the reserve was approximately 29 per cent. When the treasury notes were added to the directly redeemable obligations, and when they were at their maximum of 153 million dollars in November, 1893, to March, 1894, the reserve sunk to the proportion of 20 per cent. The present law fixes the reserve at 150 million dollars. In February, 1900, with combined United States notes and treasury notes amounting to 437 million dollars a reserve of 150 million dollars is equal to 34 per cent. Furthermore, under existing laws the amount of these obligations cannot increase. On the contrary, through the coinage of silver dollars the treasury notes must shrink in volume and ultimately disappear. When that event occurs we shall have a maximum of notes of 347 million dollars against which there will be a reserve of 150 million dollars or 43 per cent.

There can be no doubt that the strengthening of the reserve by this measure is a step forward. There is no rule yet established which will determine the exact reserve necessary in a given case. But as the general idea of a reserve is that it should be large enough to meet the probable maximum demand at a given time, it is obvious that the safety of the reserve depends upon its relation to the probable pressure. This safety can be insured by increasing the size of the reserve, or by diminishing the pressure upon it. It is the relation of the gold to the money of domestic circulation which in the long run determines this pressure, and hence we have laid stress upon this relation in the past, and it is upon this basis that the present law must be judged.

Certain provisions of the law of 1900 are designed to remove the pressure upon the gold reserve, but the legislators have had in mind chiefly the direct rather than the



indirect pressure. These provisions which form a minor part of the codification of our monetary laws may be briefly noticed.

Allusion has already been made to the proposed withdrawal of treasury notes from circulation, and the substitution of silver dollars, *i. e.*, certificates in lieu of them. This is in part a re-enactment of the old law, but with an important modification. Under the old law, when treasury notes were withdrawn, all the bullion purchased by such notes was converted into silver dollars. In this fashion, even after the repeal of the purchase law in 1893, the combined volume of treasury notes outstanding and standard silver dollars continued to increase. From August 13, 1890, to July 1, 1899, the coinage of silver dollars under the law of 1900 amounted to \$97,005,966. These dollars were coined from bullion costing \$71,195,539, and treasury notes to this amount were accordingly withdrawn, effecting an increase of the monetary circulation of \$25,810,426, which with the irony of our monetary legislation is reported by the treasury as so much "profit." Hereafter such profits will be precluded, since whenever treasury notes are withdrawn, an equivalent amount only of silver dollars may be issued. Since the silver bullion held as security for the treasury notes is more than sufficient to coin an equivalent number of silver dollars, there will be a surplus of bullion on hand after the complete retirement of the treasury notes. It is proposed to use such silver bullion for the coinage of subsidiary silver, the maximum limit of which is raised in the present law to \$100,000,000. With the growing population of our nation, this course offers no obstacles and is entirely safe. It cannot be denied that theoretically an undue swelling of the subsidiary coin would have the same effect as the increase of any other form of money of domestic circulation, but the solution of the law must be looked upon as much more logical than the former rule.

It has already been stated that the House of Representa-

tives did not hesitate to contemplate the possibility of redeeming silver dollars or certificates in gold. The Senate, however, was content with a solution which would render the demand for such redemption an improbability. This is the provision of the law that silver certificates should be issued in denominations of ten dollars and under except for 10 per cent of the aggregate issue. In this way, and with the concurrent cancellation of United States notes of less denominations than ten dollars, the bills of five, two and one dollars in general circulation will become very largely silver certificates. Demands for gold coming in the main through the banks, it is clear that by putting the silver issues in such form that they are absorbed by the general circulation, the question of redemption is not likely to arise. Moreover, this provision does not involve an undue multiplication of small notes.

But another noteworthy feature of the law as it applies to the gold reserve is the effort to make this reserve inviolate and capable of replenishment in emergencies. It is separated from the current balance of the treasury and becomes a special fund for redemption purposes only. The combined volume of gold and redeemed notes must always be \$150,000,000. Redeemed notes are to be exchanged for gold in the treasury balance, and may be exchanged for gold deposited by individuals. Under present conditions this exchange is effected immediately since there is an ample surplus of revenue and gold receipts are plentiful. But should other conditions prevail an exchange of the redeemed notes would not be practicable, and the \$150,000,000 provided by law would cease to be wholly gold. This process of substitution of notes for gold may proceed until the actual gold balance in the redemption fund amounts to \$100,000,000. At this point the depletion of the gold reserve is to be checked by the issue of short-term three per cent bonds. These bonds are to be payable one year after issue. The receipts from the sale of such bonds go into the general

fund of the treasury, but only for the purpose of exchange for notes from the redemption fund. The notes thus transferred to the general fund may be used for any government purposes except for the payment of deficits in current revenue.

From the bookkeeping point of view these provisions are highly commendable. While introducing new features into the treasury reports, they make them clear and business-like.

Before taking up those features of the law which relate to the national banks, it may be well to inquire how far the gold reserve has been strengthened by these complex provisions. The machinery of redemption may be better, but will it do its work any more effectively than of old? A minimum gold reserve of \$100,000,000 has been stipulated. It is clear that the general fund of the treasury must be denuded of gold before this minimum is reached. We have then in law the same minimum reserve as formerly in theory. On the other hand under the old practice the gold holdings might sink to this point without any accumulation of notes, and in fact there were times in 1896 when the aggregate treasury balance of all kinds of money was less than \$100,000,000. Under the new law there must be an accumulation of \$50,000,000 in notes in the treasury before the gold reserve reaches the point where bond issues for its replenishment become necessary. This operates as some check upon the operations known as the endless chain. Evidently the provision that notes exchanged for gold resulting from bond issues shall not be paid out to meet deficits in current revenue has a like intent. In practice, however, it may prove extremely difficult to determine the exact point when a deficit in current revenue occurs, and in general a government which is operating under a deficit is a disturbance in the money market. It is apt to be paying out more money than trade conditions demand, and whether it pays out certain specified notes or other notes which are not needed, makes

little difference in the demand for redemption so long as there is a surplus of money in the market.

It is impossible to wholly dissociate the redemption fund from the general fund of the treasury, and the condition of the latter must always affect the security of the money system. It would be absurd to contend that the present satisfaction with money conditions rests wholly upon the gold reserve of \$150,000,000, and that the free gold in the treasury (gold and certificates on May 21, 1900, amounting to \$70,284,118) had nothing whatever to do with it. Nor can we hope that there will be no uneasiness when the actual gold in the redemption fund begins to approach \$100,000,000, when the general fund has no gold to exchange for redeemed notes.

On the other hand the propriety of the right to issue short term gold bonds at 3 per cent will not be questioned. The crisis in our finances must be severe indeed when such bonds could not be readily floated, and thus all ordinary emergencies are amply provided for.

It remains to consider the provisions of the law in regard to national banks which offer them facilities for increasing their note circulation, and thus directly concern the monetary problem.

The general conditions under which national banks have heretofore issued notes are familiar. Upon deposit of United States bonds they were furnished circulating notes equal in volume to 90 per cent of the market value, and not exceeding 90 per cent of the par value of the bonds deposited. The deposit of bonds up to a certain point was obligatory, beyond that optional, but the banks availed themselves largely of the privilege. Before 1874 the aggregate note issue was fixed by law, but since that time the only restriction has been practically the profitableness of the issue. We have already seen that prior to 1890 the volume of bank note issues declined as the bonds of the United States were paid off. As any additional bonds to replace those called in

could only be purchased at a high premium, which would seriously diminish the profitableness of the note issues, the banks were content to see their circulation dwindle. In the reports of the Comptroller of the Currency in recent years are many calculations to show the profit upon the issues of circulating notes over and above the net receipts from the purchase price of the necessary bonds, had that sum been loaned in the ordinary course of banking business. These calculations rarely show a profit of one-half of one per cent. Within narrow limits the results vary, first with the premium on the bonds and second with the assumed rate of discount. If the loaning rate falls the profit is relatively larger on the issue of notes. Yet, in recent years, there have been no great inducements for the banks to issue notes, the main impediment being the premium on the bonds, which had to be deducted from the profits during the comparatively short life of the bonds.

The law of March 14, 1900, has changed the conditions of bank note issues in several important respects. It permits the issue of notes to an amount equal to the par value of the United States bonds deposited with the treasury, subject only to the restriction that in case the market value of the bonds should fall below the par value of the same, additional deposits of bonds or of lawful money may be required to maintain the security for the notes issued. But the act went further. It provided that the holders of the 5 per cent bonds maturing in 1904, 4 per cents maturing in 1905, and 3 per cents maturing in 1908, might exchange them for 2 per cent gold bonds, payable thirty years after date under favorable conditions of conversion. The bonds were to be received at a valuation not greater than their present worth to yield an income of  $2\frac{1}{4}$  per cent per annum, the difference between the valuation thus computed and the par value of the bonds being paid to the holder in cash. This is technical language, best elucidated by an illustration. In a circular of the treasury department,

issued March 14, 1900, it is stated that a person exchanging a \$10,000 bond of 1908 on April 1, 1900, would receive a \$10,000 2 per cent bond, \$568.51 in cash and accrued interest to April 1. The cash payment obviously represents a composition for the saving in interest between 2 per cent and 3 per cent, which must otherwise have been paid between April 1, 1900, and August 1, 1908. How far this operation is advantageous from the fiscal point of view is a somewhat technical question, into which we cannot enter at length. In the illustration given 3 per cent on \$10,000 from April 1, 1900, to August 1, 1908, represents an aggregate interest payment of \$2,500, while 2 per cent gives a payment of \$1,666.67, to which we must add the cash premium above noted, resulting in an aggregate payment of \$2,235.18. This saving of interest is offset in part by the long term of the new bonds.

Whether or not the exchange of bonds would prove profitable to individuals would depend on the market price of the bonds. For a series of weeks after the passage of the act the quotations of bonds stood uniformly above the conversion valuation fixed by the law. The margin was equivalent to a premium of from about 4 to 7 per cent on the new 2 per cent bonds. Under these circumstances the inducement for private individuals to effect a conversion has been slight, and by the reports which come to us in newspapers from time to time the amount converted by private owners has been slight.

On the other hand the banks holding United States bonds are offered a special inducement to make the exchange in a reduction of taxation upon the circulating notes. That tax has been 1 per cent, and remains such on all notes issued on the basis of the older varieties of bonds. But for all notes issued on the new 2 per cents, the tax on the circulation is to be one-half of 1 per cent.

What these various provisions mean to the banks is set forth in a circular of the treasury department dated March,

14, 1900. It appears from the calculations there given that assuming a loaning rate of 4 per cent, the profit on circulation would be 1.437 per cent if the new bond could be had in exchange at rates equivalent to par, 1.096 per cent if the exchange rates were equal to a price of 105 for the new bonds and 1.031 per cent if the price for the new bonds equaled 106. In contrast with these figures we may place the calculations of the Comptroller of the Currency in 1899, that at that date the profit on circulation was about one quarter of 1 per cent.<sup>1</sup> It would appear therefore that the advantages of the new law to the national banks were conspicuous, and such as to probably induce a considerable increase in their circulation. These advantages can only be estimated and not positively measured. Should the premium on the new bonds mount higher than that contemplated in these calculations it must inevitably reduce the profitableness of circulation. If, moreover, the banks are able to loan their capital at rates higher than 4 per cent, the advantage of buying United States bonds as a basis for the issue of notes would diminish.

It should be added that the act contemplates the extension of the national banking system to small communities, inasmuch as it permits the establishment of such banks with a capital of \$50,000 in places whose inhabitants do not exceed 6,000 in number, and banks with \$25,000 capital when the population is less than 3,000.

It has been necessary to explain at some length the provisions relating to the national banks before attempting an explanation of their purpose and an estimate of their probable effects. The reader will, I am sure, ask the question why should the issue of national bank notes be facilitated, and will have some difficulty in answering it upon any logical grounds. We must seek rather an historical explanation of the law.

After the defeat of the free silver movement in 1896, it was felt necessary to adopt measures placing the gold basis

<sup>1</sup> Report of the Comptroller of the Treasury, 1899, p. 350.

of our currency on a firmer basis, and the present law is the belated outcome of that agitation. Our silver legislation rested upon the specious plea that it was necessary that the volume of our currency should expand relatively to the population. The justice of such a demand, in general, is not to be denied, though its application to silver coinage was baneful. The advocates of the gold standard did not foresee in 1896 the expansion of our monetary circulation through the increase of the gold stock which has since taken place, and the reform of the national banking system was the favorite theme of the theorists. The various plans for Monetary Reform, which finally culminated in the Report of the Monetary Commission argued for a reorganization of bank issues through a system of banking upon assets.

The object of these plans was to secure elasticity in our circulation. They sought to provide a means whereby in case of need the currency might expand, only to contract again when the need had disappeared. To those who contended that the gold standard would provide a contracting monetary system, they were prone to point to their plans for bank issues as a corrective of this tendency. In the opinion of the writer they failed to distinguish clearly between that gradual expansion of the money system demanded by the constant growth of population and industry, and that comparatively sudden expansion under the pressure of economic conditions which demands for the time being, and for the time being only, an increase of the circulating medium, familiar to Americans in the form of the western demand to "move the crops."

At the same time the propositions to permit an expansion of bank note issues satisfied those who felt the need of an expanding currency, and enlisted the powerful support of the banking interests in behalf of measures which would be advantageous to them. In the ultimate working out of legislation the plan of banking on assets failed to receive support either in Congress or on the part of the executive.



The plans of the theorists contemplated that the bank issues should be at the same time expansible and contractible. But legislation has adopted only one-half of the project, for it has seized upon the idea of expanding the bank issues but made no provision for their contraction.

This feature of the law is plainly the result of this development, rather than an outcome of any practical necessity existing in the spring of 1900, when the measure became a statute. A bank note may be made good by so hedging it about, like our national bank notes, that it is universally accepted and never presented for redemption, or by so issuing it that it is frequently redeemed, and fortified in the eyes of the community by the readiness and facility with which it is exchanged for lawful money. The two ideals are widely separated, and the attempt to engraft the second upon our national legislation has only resulted in fortifying the first.

The ideal of a redeemable note issue is that of a commercial money, responding readily to the needs of commerce. The ideal of a note issued on securities is that of a safe currency. But this safety is secured by approximating its issue to that of government money. Its volume will depend not on the needs of trade but upon the profitableness of the undertaking. This is past experience, for when the disturbed times of 1890 to 1896 came, the banks increased their issues, though none will contend that there was then a need for money of purely domestic circulation. Such notes, therefore, take their place in the money system alongside of the credit money of the country. Like the issues of silver dollars they are the source of an indirect pressure upon the gold of the country.

We have perhaps anticipated in part the discussion of the probable effects of these measures. It remains to estimate what increase of the circulation of bank notes is probable. The elements in the problem are many. We have first the new banks to be created in smaller communities. These will probably be very numerous through the incorporation,

under the national law of existing state banks or private firms, as well as the creation of new banking agencies. Yet the addition to the banking capital of the national banks from this source may be inconsiderable, as forty banks of \$25,000 would be required to aggregate a capital of \$1,000,000. We have, moreover, to consider the capital of existing banks, which is about \$600,000,000, and the extent to which they will probably increase their note issues. There are so many elements in the case that the layman may be excused for venturing an estimate. Fortunately we have the testimony of the banks themselves.

The City National Bank of Buffalo, New York, made an inquiry among the national banks as to the amount of new circulation which each of them contemplated. In a circular letter of April 17, 1900, addressed to the various national banks, the results of this inquiry are communicated. Replies were received from 2,987 banks representing \$510,000,000 of the entire \$613,000,000 which constitute the capital of the national banks. To the figures resulting from these replies one-fifth was added, to represent the banks which failed to make any response. With this addition it appeared that the immediate increase in circulation contemplated by the banks amounted to \$69,000,000, while a further \$21,000,000 was to be added within a year. Many banks replied that they were waiting for a lower bond market, and the amount of notes which they contemplated issuing under such circumstances was \$22,000,000. This, of course, makes no account of the circulation which may arise from new banks. The *Chicago Banker* estimates the probable increase from this source at \$7,000,000. We have, then, as a result of this computation, the possibility of an increase in the national bank circulation of \$119,000,000.

We may close our review of the law with an examination of the probable effects of this anticipated issue of bank notes. For this purpose we may utilize the money supply of January 1, 1900, some time before the law went into effect, and a

time when the condition of the circulation evoked general satisfaction. At that time we had a money supply of 2,253 million dollars, of which gold formed 1,016 million dollars, or 45 per cent. There are two possibilities in regard to the addition to our circulation. In the first place the circulation might absorb it all, but in so doing it would diminish the proportion of gold to 43 per cent. Or this new addition might be unnecessary, in which case we should have an export of gold and a gradual substitution of these bank notes for an equivalent amount of gold. The total money remaining the same, our gold stock would be reduced to 907 million dollars, the proportion of gold would become 40 per cent. That these new notes will find a place in our circulation by expelling gold seems verified by the recent recurrence of gold exports.

If then we would summarize the results of our analysis it would appear that the new law with its many excellent features, had improved the machinery for withstanding a pressure on the gold supply, but that it had at the same time increased the pressure itself. It must remain for experience to demonstrate how far the dubious provisions of the latter part of the act outweigh the wisdom of its earlier paragraphs.

ROLAND P. FALKNER.

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## APPENDIX.

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### THE NEW CURRENCY ACT.

Act of March 14, 1900.

*An act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.*

*Be it enacted, etc.*

SEC. 1.—That the dollar, consisting of twenty-five and eight-tenths grains of gold, nine-tenths fine, as established by section 3,511 of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States

shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

SEC. 2.—That United States notes, and treasury notes issued under the act of July 14, 1890, when presented to the treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this act, and in order to secure the prompt and certain redemption of such notes as herein provided, it shall be the duty of the Secretary of the Treasury to set apart in the treasury a reserve fund of \$15,000,000 in gold coin and bullion which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to use said notes so redeemed to restore and maintain such reserve fund in the manner following, to wit:

1. By exchanging the notes so redeemed for any gold coin in the general fund of the treasury;

2. By accepting deposits of gold coin at the treasury or at any sub-treasury in exchange for the United States notes so redeemed;

3. By procuring gold coin by the use of said notes, in accordance with the provisions of section 3,700 of the Revised Statutes of the United States.

If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below \$100,000,000, then it shall be his duty to restore the same to the maximum sum of \$150,000,000 by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of \$50 or any multiple thereof, bearing interest at the rate of not exceeding 3 per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose the pub-

lic interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of \$150,000,000.

SEC. 3.—That nothing contained in this act shall be construed to affect the legal tender quality as now provided by law, of the silver dollar, or of any other money coined or issued by the United States.

SEC. 4.—That there shall be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and treasury notes the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

SEC. 5.—That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July 14, 1890, and June 13, 1898, from bullion purchased under the Act of July 14, 1890, to retire and cancel an equal amount of treasury notes whenever received into the treasury, either by exchange in accordance with the provisions of this act or in the ordinary course of business, and upon the cancellation of treasury notes silver certificates shall be issued against the silver dollars so coined.

SEC. 6.—That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the treasurer or any assistant treasurer of the United States in sums of not less than \$20, and to issue gold certificates therefor in denominations of not less than \$20, and the coin so deposited shall be retained in the treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes

and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve:

*Provided*, That whenever and so long as the gold coin held in the reserve fund in the treasury for the redemption of United States notes and treasury notes shall fall and remain below \$100,000,000 the authority to issue certificates as herein provided shall be suspended:

*And provided further*, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the treasury shall exceed \$60,000,000 the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for:

*And provided further*, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of \$50 or less:

*And provided further*, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of \$10,000, payable to order. And section 5,193 of the revised Statutes of the United States is hereby repealed.

SEC. 7.—That hereafter silver certificates shall be issued only of denominations of \$10 and under, except that not exceeding in the aggregate 10 per cent of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of \$20, \$50 and \$100; and silver certificates of higher denomination than \$10, except as herein provided, shall, whenever received at the treasury or redeemed, be retired and canceled, and certificates of denominations of \$10 or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of less denomination than \$10 shall from time to time be retired and canceled, and notes of denominations of \$10 and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and canceled.

SEC. 8.—That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July 14, 1890, for coinage into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: *Provided*, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate \$100,000,000. Whenever any silver bullion purchased under the Act of July 14, 1890, shall be used in the coinage of subsidiary silver coin an amount of treasury notes issued under said act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

SEC. 9.—That the Secretary of the Treasury is hereby authorized

and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the treasury, and hereafter received to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the treasury not otherwise appropriated.

SEC. 10.—That section 5,138 of the Revised Statutes is hereby amended so as to read as follows:

"Section 5,138. No association shall be organized with a less capital than \$100,000, except that banks with a capital of not less than \$50,000 may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed 6,000 inhabitants, and except that banks with a capital of not less than \$25,000 may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed 3,000 inhabitants. No association shall be organized in a city the population of which exceeds 50,000 persons with a capital of less than \$200,000."

SEC. 11.—That the Secretary of the Treasury is hereby authorized to receive at the treasury any of the outstanding bonds of the United States bearing interest at 5 per centum per annum, payable February 1, 1904, and any bonds of the United States bearing interest at 4 per centum per annum, payable July 1, 1907, and any bonds of the United States bearing interest at 3 per centum per annum, payable August 1, 1908, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of \$50 or any multiple thereof, bearing interest at the rate of 2 per centum per annum, payable quarterly; such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue, and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under state, municipal, or local authority: *Provided*, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of  $2\frac{1}{4}$  per centum per annum; and in consideration of the reduction of interest effected the Secretary of the Treasury is authorized to pay the holders of the outstanding bonds surrendered for exchange, out of the money in the treasury not otherwise appropriated, a sum not greater than the difference between their present worth, computed as aforesaid, and their par value and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section 3,694 of the Revised Statutes: *And provided further*, That the 2 per centum bonds to be issued under the

provisions of this Act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment, interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this act, a sum not exceeding one-fifteenth of 1 per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

SEC. 12.—That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national banking association now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: *Provided*, That nothing herein contained shall be construed to modify or repeal the provisions of section 5,167 of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: *And provided further*, That the circulating notes furnished to national banking associations under the provisions of this act shall be of the denominations prescribed by law, except that no national banking association shall, after the passage of this act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of \$5: *And provided further*, That the total amount of such notes issued to any such association may equal at any time but shall not exceed the amount at such time of its capital stock actually paid in: *And provided further*, That under



regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the 2 per centum bonds issued under the provisions of this act for any of the bonds deposited with the treasurer to secure circulation or to secure deposits of public money; and so much of an Act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July 12, 1882, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other Acts or parts of Acts inconsistent with the provisions of this section are hereby repealed.

SEC. 13.—That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of 2 per centum per annum, issued under the provision of this Act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of 1 per cent each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said 2 per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section 5,214 of the revised statutes.

SEC. 14.—That the provisions of this Act are not intended to preclude the accomplishment of international bimetalism whenever conditions shall make it expedient and practical to secure the same by concurrent action of the leading commercial nations of the world, and at a ratio which shall insure permanence of relative value between gold and silver.

## THE AMERICAN NEWSPAPER: A STUDY IN SOCIAL PSYCHOLOGY.

There is a widespread prejudice against the newspapers, based on the belief that they cannot be trusted to report truly the current events in the world's life on account of incompetence or venality. But in spite of this distrust we are almost altogether dependent upon them for our knowledge of widely interesting events. As the organization of society becomes more complex and far-reaching, the importance of the newspaper in the distribution of intelligence inevitably increases. The modern social man finds himself in much the same position as the ancient individual who first discovered confusion in his sensations and believed that his senses were deceiving him. The newspaper is to society much what sight and hearing are to the individual, and it is a momentous day when the community, overwhelmed with newspaper sensations, begins to doubt and to discriminate. The function of the newspaper in a well-ordered society is to control the state through the authority of facts, not to drive nations and social classes headlong into war through the power of passion and prejudice.

The influence of the newspaper, especially the daily, is felt most in cities. There social organization is more complex, the problems of government are more acute, the people are readier to follow after some new thing, the individual is more immediately dependent on his fellows, than in the country. In cities the newspaper can deliver itself. Early every morning it blockades one's door, asking to be read, and every day on the streets and in the cars it clamorously assails those who go about their business. Under these conditions the newspaper, no longer sought so much as seeking, becomes a specially potent factor in city life, and,

pandering as it often does to man's social passions, it fastens itself upon him and stimulates his mind to superficial and sometimes unhealthy interests.

The newspaper *habit* has many vicious consequences. The children in the public schools are often urged to read the papers and keep track of the world's news. And it cannot be denied that the newspaper serves an important end in bringing men to social consciousness and in giving them data upon which to form social judgments. But we must deplore and, so far as possible, overcome the evils of habitual newspaper reading. These evils are, chiefly, three: first, the waste of much time and mental energy in reading unimportant news and opinions, and premature, untrue, or imperfect accounts of important matters; second, the awakening of prejudices and the enkindling of passions through the partisan bias or commercial greed of newspaper managers; third, the loading of the mind with cheap literature and the development of an aversion for books and sustained thought. Thus the daily newspaper often tends to make the intellectual life of its readers one continuous series of petty excitements, a veritable life of the social "senses," and to shut their minds, by mere fulness of occupation, against any appeal that does not find a voice in the daily news sheet.

The daily newspaper is one of the many influences that make a city civilization different, for better and for worse, from a country civilization. And as the science of government is the science of the manipulation of social forces for the furtherance of public order and the common weal, the problems of city government can be solved only by insight into the peculiar characteristics of city people and of city life. The study of the newspaper as a factor in social organization is, therefore, of prime importance to those who are concerned with municipal affairs.

The development of modern journalism is a bewildering fact. The *American Newspaper Directory* divides the

papers into classes according to their accredited *bona fide* circulation, as follows:

Class A, circulation, . . . . .	75,000 or more.
B, " . . . . .	40,000 to 75,000.
C, " . . . . .	20,000 to 40,000.
D, " . . . . .	17,500 to 20,000.
E, " . . . . .	12,500 to 17,500.
F, " . . . . .	7,500 to 12,500.

There are still other classes, which have a smaller circulation and include by far the larger number of dailies. But if we confine our attention to the six classes, A to F, and if we count one morning and one afternoon edition as separate papers, we find that there were in 1897, all told, 250 dailies having a circulation of 7,500 or more published in the United States. Of these papers, 224 are printed in English, twenty-two in German, two in Bohemian, one in Danish, and one in French. According to circulation these papers are distributed as follows:

Class A . . . . .	27
B . . . . .	36
C . . . . .	45
D . . . . .	23
E . . . . .	45
F . . . . .	74
	<hr/>
	250

These 250 leading dailies are distributed among the different sections of the country as follows:

North Atlantic States . . . . .	113, or 6.5 per million of population.
South Atlantic States . . . . .	14, or 1.6 " " " "
North Central States . . . . .	89, or 4.0 " " " "
South Central States . . . . .	15, or 1.4 " " " "
Western States . . . . .	19, or 6.3 " " " "
	<hr/>
United States . . . . .	250, or 4.0 " " " "

Of the forty-five states in the Union there are sixteen which have no daily papers with an accredited circulation

of 7,500. The states having the largest numbers of such papers are:

New York . . . . .	48
Pennsylvania . . . . .	29
Ohio . . . . .	23
Illinois . . . . .	21
Massachusetts . . . . .	21

On the streets of New York City and its suburbs there are daily offered to the unsuspecting public newspapers which contain reading matter, exclusive of advertisements, sufficient to fill 4,000 or 5,000 pages of *Economic Studies*, and in the twenty-one principal news circles of the United States the papers publish every day the equivalent of seventy books containing 100,000 words each. Fortunately for the public, the daily paper is, in the main, a local institution.

Every great city is a news centre. The possible constituency of a daily paper may be counted as comprising every one who lives within two or three hours' distance of the newspaper office. Nowadays, with our multiplied railroads and trolley lines, a daily paper may hope to have some direct popular influence over an area with a radius of, perhaps, fifty miles. The larger the population of this area, the more numerous, as a rule, are the papers published there; and the greater is the bulk of reading matter daily offered to the same constituency. In Detroit the citizen is beset by only four important dailies; in New York city he is beset by twenty or more. If we take the fifty-mile radius as representing approximately the distance to which a daily paper may have a general sale, we shall have twenty-one principal news circles in the United States, including within their limits all of the cities which had a population of over 100,000 in 1890. A few of these circles include more than one such city. The accompanying table shows the twenty-one news circles with population

Order.	NEWS CENTRE.	Population, 50-mile radius—1890.	Urban—1890.	Suburban—1890.	Population, 50-mile radius—Estimated, 1899.	No. of News-Papers.		
						English.	Foreign.	Total.
1	New York (inc. Brooklyn, Newark and Jersey City)	3,700,000	2,700,000	1,000,000	4,700,000	24	6	30
2	Boston (inc. Providence)	2,300,000	925,000	1,375,000	2,650,000	22	0	22
3	Philadelphia	1,850,000	1,050,000	800,000	2,000,000	13	4	17
4	Chicago	1,475,000	1,100,000	375,000	2,300,000	11	9	20
5	Baltimore and Washington	1,125,000	675,000	450,000	1,250,000	9	1	10
6	Pittsburg (inc. Allegheny)	1,125,000	350,000	775,000	1,350,000	8	0	8
7	St. Louis	1,000,000	450,000	550,000	1,100,000	5	1	6
8	Cincinnati	925,000	325,000	600,000	1,000,000	5	2	7
9	Minneapolis and St. Paul	600,000	300,000	300,000	700,000	6	0	6
10	Kansas City	575,000	225,000	350,000	700,000	6	0	6
11	Louisville	550,000	175,000	375,000	600,000	4	0	4
12	San Francisco	500,000	375,000	125,000	600,000	8	0	8
13	Buffalo	500,000	250,000	250,000	600,000	5	0	5
14	Cleveland	500,000	275,000	225,000	575,000	7	1	8
15	Indianapolis	450,000	100,000	350,000	500,000	4	0	4
16	Omaha	450,000	225,000	225,000	550,000	3	0	3
17	Detroit	450,000	200,000	250,000	550,000	4	0	4
18	Milwaukee	425,000	200,000	225,000	525,000	4	1	5
19	Rochester	425,000	125,000	300,000	500,000	4	0	4
20	New Orleans	350,000	250,000	100,000	400,000	4	1	5
21	Denver	150,000	100,000	50,000	200,000	4	0	4
		19,425,000	10,375,000	9,050,000	23,350,000	160	26	186

estimated from the census of 1890, divided into urban and suburban, and roughly estimated for 1899; and the number of daily papers having at least 7,500 circulation, counting one morning and one afternoon edition (where there are such) as separate papers. These twenty-one news circles had in 1890 an aggregate population of nearly nineteen and one-half millions, or about 30 per cent of the total population of the United States, while they furnish 186 of the 250 dailies having largest circulation, or about 75 per cent, including all of the twenty-six leading dailies printed in a foreign language, and all but two of the papers having a circulation of more than 20,000. It is clear that the larger the city the more serious is its newspaper problem, and the greater is the necessity for the organization of news and the cultivation of skill in reading newspapers.

No one nowadays reads a newspaper through, although possibly some readers feel conscience-smitten because they are unable to do so. Most readers look for what interests them, and are satisfied if they find it quickly. This one fact points the way along which the newspaper is developing and must continue to develop, and brings us to the problem of newspaper analysis. There are five general divisions under which newspaper matter falls. These are:

- I. News.
- II. Illustrations.
- III. Literature.
- IV. Opinion.
- V. Advertisements.

Under "News" should be included every item that is a first-hand report of current events. "Illustrations" include all pictorial matter outside of advertisements. Under "Literature" are included serial stories, special studies, humorous sketches, jokes, poetry, book reviews, and foreign correspondence not in the nature of news. "Opinion" is made up of letters, exchanges and editorials. "Advertisements" are items of any kind for the printing of which

the newspaper receives direct compensation, as well as business announcements made by the newspaper in its own behalf.

"News," for which the newspaper is named, generally occupies the largest share of space, and is made up of very heterogeneous elements. During the Spanish-American war—and the analysis which forms the basis of this essay was made of papers published at that time—the war news formed so large and so special a department—sometimes occupying more than one-fourth of the newspaper's entire space—as to deserve separate classification. Accordingly, under the head of "News" we have three main subdivisions—war news, general news, and special news. The distinction between general news and special news, though in some cases difficult of application, is nevertheless of first-rate importance. Briefly, general news is news that is edited; special news is news that is not edited. General news is reported inexactly, and sometimes incorrectly; special news is reported exactly, and men do business in reliance upon it. General news may be subdivided into foreign news, political news, news of crime and vice, and miscellaneous news. Special news may be subdivided into business news, sporting news, and society news. "Opinion" may be divided into editorials, which give expression to the newspaper's individual policy, and letters and exchanges, which express, in a more or less restricted way, public opinion in general. "Advertisements" may be separated into six classes—want, retail, medical, political and legal, miscellaneous, and self advertisements.

According to this analysis, the matter contained in the newspaper is arranged under eighteen heads, which may now be described more in detail:

1. *War news* includes news of the actual military operations of the combatants in the field; news of the organization and discipline of the army, of the movements of troops at home, of the camps, and of the food supplies for the



soldiers; news of legislation by Congress, and the general policy of the government in regard to war revenues and expenditures; news and notes referring to individuals brought into prominence by the war; and news of the foreign relations of the United States as affected by the war.

2. *Foreign news* includes reports of all current events in foreign countries which are not connected with our own wars, and which are reported on account of their international interest. This separate classification of foreign news would be illogical except on the hypothesis that society is, on the whole, organized with reference to political divisions.

3. *Political news* includes news of current administration and legislation in nation, commonwealth, and city, as well as news of party conventions, candidates, and speeches, of conferences and discussions calculated to influence political action, and of elections.

4. *News of crime and vice* includes accounts of the commission of crimes and of the trial and punishment of criminals, and news of suicides, brawls, drunkenness, prostitution, divorce proceedings, etc.

5. *Miscellaneous news* includes reports of celebrations and meetings, some personal notes, general news of trusts, labor unions, and strikes, religious news, and other general news not included under preceding heads.

6. *Business news* includes regular reports of organized business life, news of the markets, financial and commercial, insurance notes, railway notes, court calendars and legal news, shipping news, real estate news, and weather bulletins.

7. *Sporting news* includes news of baseball, football, golf, cycling, cricket, chess, billiards, prize-fighting, yachting, and all sports of recognized general interest.

8. *Society news*, the least definite of the divisions under special news, includes a number of items ranging from obituary and marriage lists through reports of music and

the drama, to more general news of "society" as it is at Newport and elsewhere.

9. *Illustrations* include cartoons, illustrative sketches, and portraits. Cartoons comprise all pictorial caricatures and humorous representations giving point to the news of the day. Sketches include drawings of buildings and scenes, whether illustrative of crime or of war, and all professedly *bona fide* illustrations of news and literature, other than portraits. Portraits are the pictures of "men of the hour" and persons "in the public eye," as well as of historical characters.

10. *Literature* includes the various kinds of matter enumerated in an earlier paragraph, and ranges between wide extremes in both quantity and quality. Many "exchanges" should, perhaps, be classed under this head, but on account of the difficulty of sorting them, all exchanges are classed together under a later head.

11. *Editorials* include the editor's comments upon current events, news summaries on the editorial page, and editorial articles on science, literature and art.

12. *Letters and exchanges* include all signed communications to the editor from the general public, and all articles or items copied from other journals. This division does not include signed news correspondence or the dispatches of the Associated Press or of news syndicates.

13. *Want advertisements* include those so designated by the papers themselves and, in general, most of the advertisements occupying only a few lines each and placed together in columns of nearly solid printed matter.

14. *Retail advertisements* include chiefly the large mass of advertisements calculated to attract local custom to mercantile establishments, and represent roughly the attractions of the "shopping district."

15. *Medical advertisements* include advertisements of sanitariums, special treatments, and patent medicines ranging from "Cuticura Soap" to "Paine's Celery Compound."

Advertisements of this class often refer to sexual disorders, and thinly-veiled announcements of criminal medical practice not infrequently appear.

16. *Political and legal advertisements* include reports and notices the publication of which is required by law, whether paid for out of the public treasury or by individuals. The proceedings of municipal and county legislative boards, lists of delinquent taxes, and notices of sheriff sales, mortgage foreclosures, and the like, make up the bulk of this division.

17. *Miscellaneous advertisements* are composed, chiefly, of transportation, financial, educational, amusement, hotel, and summer resort advertisements. This division of advertisements corresponds roughly to the "business" division of special news.

18. *Self advertisements* include notices referring to price, circulation, the Sunday issue, some special feature, or other topics for announcement or self-gratulation.

The writer has received sample copies of 240 of the 250 leading dailies already described. Of 186 published in the twenty-one principal news circles, 147—136 English and eleven foreign—have been analyzed in detail. In this analysis, each paper was examined column by column and the amount of matter coming under the several subdivisions was estimated down to the twentieth of a column. The totals under each subdivision were reduced to percentages of the whole, and the papers in each news circle were compared. General percentages were made out for the papers in each news circle taken in aggregate, and by comparison of news circles, averages for the whole country were obtained. The copies analyzed were, for the most part, issues for some day in June, 1898, but quite a number bear date, September, 1898, and a few were issued in other months. In addition to this analysis of single copies, a full week's issues in September, 1898, and also in Septem-

ber, 1899, of two great dailies, the *New York Times* and the *Chicago Record*, were analyzed. All these papers were affected, though not in the same degree, by the existence of the war with Spain and the resulting complications in the Philippines. The general scheme of analysis is shown in an accompanying diagram.

*Diagram—Analysis of the Newspaper.*

Name of paper . . . . .	New York "Journal."	Chicago "Times-Herald."	San Francisco "Chronicle."
Date . . . . .	June 11, 1898	June 6, 1898	June 1, 1898
Circulation . . . . .	1,213,751	"A"	"B"
Price per copy . . . . .	1 cent	1 cent	5 cents
Yearly subscription . . . . .	\$8.50	\$6.00	\$6.70
Number of pages . . . . .	12	12	12
Total number of columns . . . . .	84	84	84

ANALYSIS OF CONTENTS.	No. of columns.	Per cent of total.	No. of columns.	Per cent of total.	No. of columns.	Per cent of total.
I. News . . . . .	32.35	38.5	53.55	63.7	43.55	51.8
a. War news . . . . .	18.85	22.4	19.8	23.5	16.45	19.5
b. General news . . . . .	8.1	9.6	15.45	18.4	15.5	18.5
1. Foreign news . . . . .	1.95	1.2	.45	.5	.35	.4
2. Political news . . . . .	1.45	1.7	6.15	7.3	7.9	9.4
3. News of crime and vice . . . . .	3.75	4.5	.3	.4	2.2	2.7
4. Miscellaneous news . . . . .	1.85	2.2	8.55	10.2	5.05	6.
c. Special news . . . . .	5.4	6.5	18.3	21.8	11.6	13.8
1. Business news . . . . .	2.5	3.	10.	11.9	9.1	10.8
2. Sporting news . . . . .	2.65	3.2	5.45	6.5	1.65	2.
3. Society news . . . . .	.25	.3	2.85	3.4	.85	1.
II. Illustrations . . . . .	15.75	18.7	2.2	2.6	8.5	10.1
III. Literature . . . . .	.5	.6	2.25	2.7	0.0	0.0
IV. Opinion . . . . .	6.85	8.2	6.85	8.2	2.55	3.1
a. Editorials . . . . .	6.85	8.2	3.75	4.5	2.45	3.
b. Letters and exchanges . . . . .	0.0	0.0	3.1	3.7	.1	.1
V. Advertisements . . . . .	28.55	34.	19.15	22.8	29.4	35.
a. Want . . . . .	7.75	9.2	2.5	3.	9.5	11.3
b. Retail . . . . .	7.65	9.1	6.	7.1	3.25	3.9
c. Medical . . . . .	3.65	4.4	2.1	2.5	3.4	4.
d. Political and legal . . . . .	0.0	0.0	.45	.5	.1	.1
e. Miscellaneous . . . . .	8.5	10.1	7.7	9.2	10.45	12.5
f. Self . . . . .	1.	1.2	.4	.5	2.7	3.2

The various kinds of newspaper matter were found to occupy on the average for the whole country the following percentages of the total space:

I. News . 55.3	{	a. War news . . . 17.9	{	Foreign . . . . . 1.2
		b. General news . 21.8		Political . . . . . 6.4
				Crime and vice . . 3.1
				Miscellaneous . 11.1
		c. Special news . 15.6	{	Business . . . . . 8.2
				Sporting . . . . . 5.1
				Society . . . . . 2.3
II. Illustrations . . . . . 3.1				
III. Literature . . . . . 2.4				
IV. Opinion . . . . . 7.1	{	a. Editorials . . . . . 3.9		
		b. Letters and exchanges . 3.2		
V. Advertisements . . . . 32.1	{	a. Want . . . . . 5.4		
		b. Retail . . . . . 13.4		
		c. Medical . . . . . 3.9		
		d. Political and legal . . . 2.0		
		e. Miscellaneous . . . . . 6.0		
		f. Self . . . . . 1.4		

The analysis of individual papers shows "Literature" entirely wanting more frequently than any other class of matter. "Illustrations" are also quite frequently wanting. "News," "Opinion," and "Advertisements" are the three grand divisions of matter that are never wholly lacking. It should, perhaps, be remarked that news of crime and vice, on account of which the newspaper is so often denounced, fills on the average only 3.1 per cent of the whole space, though the percentage ranges in individual papers from zero to 18.8, both extremes being found in New York city.

The percentages of space occupied by the various classes of matter in each of the twenty-one principal news circles are shown in the accompanying table. In some cases we

NEWS CENTRES.	New York.	Boston.	Philadelphia.	Chicago.	Baltimore and Washington.	Pittsburg.	St. Louis.	Cincinnati.
Number of dailies analyzed . . . . .	27	12	14	10	8	8	5	4
Total number of columns . . . . .	1,936	1,014	1,044	742	666	594	358	298
Percentage of total space . . . . .	100	100	100	100	100	100	100	100
I. News . . . . .	55.7	53.9	58.4	50	53.7	52.3	60.1	63.3
<i>a.</i> War News . . . . .	15.7	19.6	18.3	15.7	18.2	17.3	15.2	15.9
<i>b.</i> General News . . . . .	22.6	21.7	22.1	16.1	22.2	15.8	27.3	28.6
1. Foreign . . . . .	2.8	.6	1.9	.9	.6	.7	2.0	1.4
2. Political . . . . .	5.6	5.8	5.7	6.1	6.6	3.8	6.3	8.9
3. Crime and Vice . . . . .	4.9	2.5	2.9	1.9	2.6	3.4	7.8	3.5
4. Miscellaneous . . . . .	9.3	12.8	11.6	7.2	12.4	7.9	11.2	14.8
<i>c.</i> Special News . . . . .	17.4	12.6	18.0	18.2	13.3	19.2	17.6	18.8
1. Business . . . . .	7.6	4.2	7.7	10.6	5.1	10.1	10.0	10.2
2. Sporting . . . . .	6.0	6.2	5.6	5.3	5.7	5.2	5.6	6.4
3. Society . . . . .	3.8	2.2	4.7	2.3	2.5	3.9	2.0	2.2
II. Illustrations . . . . .	4.4	5.2	3.0	3.9	2.3	1.9	5.2	3.8
III. Literature . . . . .	2.9	2.9	3.4	4.9	1.2	2.7	.7	.1
IV. Opinion . . . . .	7.1	7.2	6.6	6.7	7.0	5.4	3.8	3.0
<i>a.</i> Editorials . . . . .	4.4	3.7	3.6	4.7	3.1	3.2	3.0	2.9
<i>b.</i> Letters and Exchanges . . . . .	2.7	3.5	3.0	2.0	3.9	2.2	.8	.9
V. Advertisements . . . . .	29.9	30.8	28.6	34.5	35.8	37.7	30.2	29.0
<i>a.</i> Want . . . . .	5.1	5.5	6.0	5.5	5.5	2.6	6.0	7.2
<i>b.</i> Retail . . . . .	10.8	11.8	12.1	16.1	13.3	24.4	8.6	9.7
<i>c.</i> Medical . . . . .	2.2	3.5	1.5	3.8	3.3	4.0	4.3	5.6
<i>d.</i> Political and Legal . . . . .	2.8	.8	.5	.5	.9	1.1	3.3	1.4
<i>e.</i> Miscellaneous . . . . .	7.4	7.3	7.5	7.6	10.6	5.1	6.7	3.9
<i>f.</i> Self . . . . .	1.6	1.9	1.0	1.0	2.2	.5	1.3	1.2

Minneapolis and St. Paul.	Kansas City.	Louisville.	San Francisco.	Buffalo.	Cleveland.	Indianapolis.	Omaha.	Detroit.	Milwaukee.	Rochester.	New Orleans.	Denver.	General Average.
6	4	4	8	5	6	3	3	4	5	3	4	4	. .
364	252	262	674	368	344	184	196	248	352	266	308	294	. .
100	100	100	100	100	100	100	100	100	100	100	100	100	. .
60.3	58.0	59.4	49.5	47.	57.9	54.2	56.2	52.6	47.8	54.8	63.0	52.5	55.3
24.3	21.4	18.8	17.6	15.5	14.1	22.7	11.0	24.9	10.9	16.8	26.4	16.3	17.9
20.1	20.3	20.2	18.3	14.7	28.4	16.7	34.6	17.1	25.3	22.9	18.7	23.7	21.8
1.6	.8	.7	1.4	.5	3.6	.6	2.1	.5	.9	.5	.5	.2	1.2
3.2	6.8	6.0	6.3	6.9	7.8	4.0	11.0	3.3	6.0	7.5	10.2	7.3	6.4
2.1	3.3	3.5	4.2	2.1	4.5	1.8	2.3	1.5	1.0	3.8	2.6	2.4	3.1
13.2	9.4	10.0	6.4	5.1	12.7	10.3	19.1	11.8	17.4	11.1	5.4	13.8	11.1
15.9	16.3	20.4	13.6	16.8	15.4	14.8	10.6	10.6	11.6	15.1	17.9	12.5	15.6
9.3	11.0	11.5	7.3	6.1	7.7	8.9	7.5	6.0	6.0	6.0	10.6	8.9	8.2
4.0	4.3	7.0	3.4	7.9	5.8	4.1	2.6	3.8	3.6	7.2	5.0	2.3	5.1
2.6	1.0	1.9	2.9	2.8	1.9	1.8	.5	.8	2.	1.9	2.3	1.3	2.3
2.2	1.9	3.0	7.6	.5	3.3	2.5	.9	3.3	1.6	.5	3.8	4.6	3.1
1.4	.8	1.5	2.6	1.6	3.7	2.7	3.8	2.7	6.2	.9	1.3	2.4	2.4
6.6	11.8	5.3	5.2	7.7	5.9	8.3	9.5	6.1	8.0	9.3	9.0	9.5	7.1
3.7	4.2	3.8	3.2	4.3	4.6	3.9	4.7	3.4	4.1	4.8	5.9	4.0	3.9
2.9	7.5	1.5	2.	3.4	1.3	4.4	4.8	2.7	3.9	4.5	3.1	5.5	3.2
29.5	27.6	30.7	35.1	43.2	29.2	32.3	29.6	35.2	36.4	34.5	22.9	31.0	32.1
4.8	4.1	3.4	7.9	4.5	5.7	7.3	7.7	7.7	4.8	3.4	1.4	7.0	5.4
9.8	13.9	19.7	5.4	21.0	11.7	15.7	9.3	14.0	17.5	17.0	5.7	14.8	13.4
5.2	5.3	1.9	3.6	2.4	5.6	4.6	3.9	5.3	4.3	4.2	3.9	4.4	3.9
3.7	.9	.1	6.5	7.5	.9	.1	.4	2.4	1.4	2.5	3.4	.1	2.0
4.3	3.0	4.1	10.0	6.2	4.3	3.1	5.9	3.9	7.5	6.4	7.5	3.7	6.0
1.7	.4	1.5	1.7	1.6	1.0	1.5	2.1	1.9	.9	1.0	1.0	1.0	1.4

are able to detect interesting characteristics of local journalism, as will appear from a rapid survey of the several centres:

1. New York, which is the metropolitan news centre of the country and has journals of all descriptions, "setting the pace" in "yellow" and conservative journalism alike, does not occupy either first or last place in any department. In foreign news it comes second, and would perhaps come first under normal conditions. In these statistics Cleveland stands first, as most of the papers analyzed for this news centre were issues for September, when the Dreyfus case and other foreign matters were taking up much space. New York stands second in crime and vice, and no doubt deserves that position. Individual New York papers, of course, show great variations. Following are the extremes in a number of departments:

CLASS OF MATTER.	Minimum per cent	Maximum per cent
War news . . . . .	4.4	32.0
Foreign news . . . . .	0.0	16.2
Crime and vice . . . . .	0.0	18.8
Business news . . . . .	.7	21.7
Sporting news . . . . .	0.0	30.3
Illustrations . . . . .	0.0	25.0
Letters and exchanges . . . . .	0.0	10.9
Want advertisements . . . . .	0.0	18.9
Retail advertisements . . . . .	0.0	26.7
Self advertisements . . . . .	0.0	5.5

2. Boston, which is the one great news centre of New England, and which is supposed to be, more than any other large American city, the home of culture and learning, is nevertheless afflicted with sensational journalism. In percentage of illustrations this centre stands second. It is a curious fact that the craze for illustrations seems to have taken possession of the extreme West, the extreme East, and two or three intermediate stations, in the following



order: San Francisco, Boston, St. Louis, Denver, New York. It is significant that Boston stands at the foot of the list in the department of business news. That Boston, too, shows wide variations in its individual papers will be seen by a comparison of the *Evening Journal* and the *Evening Transcript*:

CLASS OF MATTER,	Per cent in "Journal."	Per cent in "Transcript."
I. News . . . . .	69.5	41.4
<i>a.</i> War . . . . .	28.3	14.6
<i>b.</i> General . . . . .	18.5	17.6
<i>c.</i> Special . . . . .	22.7	9.2
II. Illustrations . . . . .	4.7	0.0
III. Literature . . . . .	0.0	14.3
IV. Opinion . . . . .	8.9	10.6
V. Advertisements . . . . .	16.9	33.7

3. Philadelphia, the most American of the great news centres, stands first in society news and last in medical advertisements, seemingly not a dishonorable distinction.

4. Chicago, the great industrial and commercial centre of the North Central states, stands second in literature and near the foot in crime and vice. While exhibiting no striking peculiarities as a news centre, Chicago furnishes, perhaps, the best average among its leading newspapers of any great city in the United States.

5. Baltimore and Washington show no very important peculiarities, except that they rank next to Boston at the bottom of the list in business news.

6. Pittsburg, with its immense suburban population, stands first in retail advertisements and next to the last in want advertisements.

7 and 8. St. Louis and Cincinnati, of which the one had in 1860 almost exactly 50 per cent and the other 45 per cent foreign-born population, predominantly German, seem now to be in some respects the most notable centres of "yellow

journalism" in the country. These two centres keep remarkably close together in the table of percentages. Both stand high in illustrations, medical advertisements, and news of crime and vice; while they stand very low in letters and exchanges, editorials, literature, and retail advertisements. It is significant that Joseph Pulitzer, proprietor of the *New York World*, got his training in yellow journalism as manager of the *St. Louis Post-Dispatch*. There is, too, in both St. Louis and Cincinnati a member of the "Scripps-McRae League."

9. Minneapolis and St. Paul stand last in political news.

10. Kansas City presents a considerable contrast with St. Louis in journalism, the former centre being nearly as conservative as the latter is sensational. Kansas City stands first in letters and exchanges and second in business news.

11. Louisville stands first in business news and also first in the general subdivision, special news.

12. San Francisco stands away above all the other news centres in the proportion of illustrations. It also stands first in want and last in retail advertisements, in these respects being almost the exact opposite of Pittsburg.

13. Buffalo takes first place in advertisements as a whole, and also in sporting news, while it stands very low in vice and crime and miscellaneous news.

14. Cleveland stands first in foreign news, second in medical advertisements, third in vice and crime, and near the last in war news. The relative prominence of foreign news and crime and vice, as well as the small importance of war news, are due to the fact that September issues for the most part were analyzed.

15. Indianapolis stands low in crime and vice and in two divisions of advertisements.

16. Omaha is a centre of extreme characteristics, standing first in political and miscellaneous news and self

advertisements, last in social news, and next to the last in war and sporting news. The "Trans-Mississippi Exposition" accounts for the large percentage of miscellaneous news.

17. Detroit takes second place in war news, and next to the last place in political and social news and crime and vice. In the general subdivision, special news, it stands at the foot of the list.

18. Milwaukee is first in literature, second in miscellaneous news and last in war news and crime and vice. The Wisconsin "Fifty-Years-of-Statehood" celebration affected Milwaukee papers much as the "Trans-Mississippi Exposition" did those of Omaha.

19. Rochester is second in sporting news and editorials and last in illustrations.

20. New Orleans has first place in war news and editorials, second place in political news, and last in advertisements as a whole. The high percentage of war news was probably due to the proximity of military operations.

21. Denver stands second in letters and exchanges, fourth in illustrations, and last in foreign and sporting news and miscellaneous advertisements.

Thus much has been said about differences between the contents of the newspapers of different localities, differences that are due partly to local and temporary events, partly to the influence of individual editors upon the character of journalism, and partly to the peculiar local characteristics of the newspaper constituencies.

An examination of the contents of papers arranged in classes according to circulation shows some interesting results. In news of crime and vice, in illustrations, and in want and medical advertisements, the percentages of space occupied show an almost steady increase with increase of circulation, while the opposite is true in political news, editorials, letters and exchanges, and political advertisements. Some of the more important differences between

CLASS.	"A."	"B."	"C."	"D."	"E."	"F."
I. News . . . . .	52.2	56.3	54.7	55.4	58.3	53.0
a. War News . . . . .	16.8	16.0	17.1	17.2	18.6	20.3
b. General News . . . . .	20.1	23.4	21.3	22.1	22.3	20.3
1. Foreign . . . . .	1.2	2.6	1.9	1.4	.6	.7
2. Political . . . . .	5.4	6.0	5.4	6.1	6.5	7.7
3. Crime and Vice . . . . .	4.1	4.3	3.3	2.2	3.2	2.7
4. Miscellaneous . . . . .	9.3	10.5	10.7	12.4	12.0	9.2
c. Special News . . . . .	15.3	16.4	16.3	16.1	17.4	12.4
1. Business . . . . .	6.6	8.7	7.4	8.6	8.2	5.9
2. Sporting . . . . .	6.0	4.5	5.8	4.7	6.9	4.3
3. Social . . . . .	2.7	3.2	3.1	2.8	2.3	2.2
II. Illustrations . . . . .	7.6	3.2	3.1	1.4	2.	1.7
III. Literature . . . . .	2.9	2.7	3.4	4.3	2.1	1.7
IV. Opinion . . . . .	5.2	6.0	7.1	8.6	8.	9.3
a. Editorials . . . . .	3.7	3.8	4.0	4.3	3.9	4.7
b. Letters and Exchanges . . . . .	1.5	2.2	3.1	4.3	4.1	4.6
V. Advertisements . . . . .	32.0	31.8	31.7	30.3	29.5	34.3
a. Want . . . . .	7.3	6.0	5.0	3.0	3.6	4.0
b. Retail . . . . .	12.7	12.2	13.8	14.3	11.6	14.3
c. Medical . . . . .	4.7	3.7	3.6	2.9	2.8	3.7
d. Political and Legal . . . . .	.5	1.4	1.9	1.0	2.2	5.3
e. Miscellaneous . . . . .	5.9	7.1	6.2	6.7	7.7	5.7
f. Self . . . . .	1.1	1.4	1.2	2.4	1.6	1.3
Number of papers analyzed . . . . .	25	31	38	12	22	18

papers having more than 40,000 circulation and those having between 7,500 and 17,500 are as follows:

	40,000 or more.	7,500 to 17,500.
Crime and vice . . . . .	4.2 per cent	3.0 per cent
Illustrations . . . . .	5.2 "	1.9 "
Want advertisements . . . . .	6.6 "	3.8 "
Medical advertisements . . . . .	4.1 "	3.2 "
Political news . . . . .	5.7 "	7.0 "
Editorials . . . . .	3.8 "	4.3 "
Letters and exchanges . . . . .	1.9 "	4.4 "
Political advertisements . . . . .	1.0 "	3.6 "

The comparison of the analyzed contents of a whole week's issues of two great dailies, the *New York Times* and the *Chicago Record*, reveals some of the differences that may exist between progressive high-class journals. The high

		NEW YORK "TIMES."				CHICAGO "RECORD."			
		Sept. 15-21, 1898, including Sunday.		Sept. 16-22, 1899, No Sunday.		Sept. 16-22, 1898, No Sunday.		Sept. 16-22, 1899, No Sunday.	
		Total columns.	Per cent.	Total columns.	Per cent.	Total columns.	Per cent.	Total columns.	Per cent.
I. News . . . . .		447.05	58.3	426.4	54.11	225.4	43.5	251.0	45.97
a. War News . . . . .		93.35	12.2	7.5	.95	40.95	7.9	5.75	1.05
b. General News . . . . .		162.25	21.1	187.2	23.76	93.85	18.1	148.9	27.27
1. Foreign . . . . .		24.1	3.1	37.05	4.7	11.35	2.2	46.2	8.46
2. Political . . . . .		36.4	4.7	59.35	7.53	31.8	6.1	40.65	7.45
3. Crime and Vice . . . . .		20.5	2.6	11.95	1.52	10.4	2.0	13.35	2.44
4. Miscellaneous . . . . .		83.7	10.6	78.85	10.01	40.3	7.8	48.7	8.92
c. Special News . . . . .		191.45	25.0	231.7	29.4	90.6	17.5	96.35	17.65
1. Business . . . . .		128.3	16.7	140.45	17.82	46.05	8.9	46.3	8.48
2. Sporting . . . . .		30.1	3.9	37.1	4.71	34.05	6.6	38.65	7.08
3. Society . . . . .		33.05	4.4	54.15	6.87	10.05	2.0	11.4	2.09
II. Illustrations . . . . .		31.1	4.0	0.0	0.0	41.0	7.9	35.0	6.41
III. Literature . . . . .		70.5	9.0	49.7	6.31	54.0	10.4	62.7	11.48
IV. Opinion . . . . .		63.7	8.3	78.6	9.97	14.4	2.8	13.25	2.43
a. Editorials . . . . .		27.85	3.6	29.15	3.7	9.9	1.9	9.9	1.82
b. Letters and Exchanges . . . . .		35.85	4.7	49.45	6.27	4.5	.9	3.35	.61
V. Advertisements . . . . .		155.65	20.8	233.2	29.61	183.2	35.4	184.05	33.71
a. Want . . . . .		11.65	1.5	8.75	1.11	66.55	12.9	72.6	13.3
b. Retail . . . . .		51.4	6.7	96.5	12.25	52.55	10.1	49.0	8.98
c. Medical . . . . .		5.6	.7	4.75	.6	27.1	5.2	40.75	7.46
d. Political and Legal . . . . .		13.4	1.7	23.95	3.04	0.0	0.0	0.0	0.0
e. Miscellaneous . . . . .		70.5	9.6	97.55	12.38	12.6	2.5	18.9	3.46
f. Self . . . . .		3.1	.4	1.8	.23	24.4	4.7	2.8	.51
Total . . . . .		768	100	788	100	518	100	546	100

percentage of illustrations and literature in the *Times* for the week in 1898 are almost wholly due to the supplements. The *Record* has no Sunday edition and no supplements. A comparison of the week's issues in 1898 with a week's issues a year later shows principally the effect of peace in the decrease of war news and the increase of foreign and political news. The *Times* appears without any illustrations at all, the Sunday supplement having been discontinued. The great differences between the two papers in business news, editorials, letters and exchanges, and want, medical, and miscellaneous advertisements are noticeable in both years. The *Times* is a conservative journal. The *Record*, by the quantitative analysis of its contents, is made to appear "yellow." It is a notable example of the paper that has many of the characteristic features of yellow journalism minus its unscrupulous management and sensational spirit.

The most loyal newspaper man, as well as the most severe critic of newspapers, will admit that there are important differences in the quality of various journals. During the last few years the term "yellow journalism" has come into vogue. Presumably newspapers can be roughly classed as "yellow" and conservative; yet the definition of a yellow journal is a matter of some difficulty. In general, yellow journalism is about the same as extreme sensational journalism, and the latter may perhaps be defined as journalism that stimulates man's social senses merely for the sake of the pleasure and excitement attendant upon the stimulation. Sensational journalism possibly has its appropriate function in breaking down the false proprieties and properties of an individualistic civilization. But when set in motion by the unscrupulous greed of gain, and controlled by men who desire to get wealth or power by playing upon the passions and follies of their fellows, sensational journalism becomes undoubtedly pathological, a social vice the consequences of which are very grave.

If we attempt to classify newspapers on the basis of the analysis of their contents made in the preceding pages, we are met by a disturbing fact, namely, that the character of journalism is determined more by the quality than by the subject of matter contained in the papers. For example, if the quantity of "literature" were taken as an index of the yellowness or the conservatism of papers, we should speedily find some of the yellowest and some of the most conservative journals falling into the same class. The quality as well as the quantity must be measured, and we find as much variation in the one as in the other. It is an amusing illustration of the difficulty of the statistical method that the writer had considerable trouble in getting a quantitative test which would make the *New York Journal* yellow and the *New York Evening Post* conservative. It is perhaps possible that a paper may be so sensationally conservative as to become almost yellow.

But, in spite of all the difficulties, an examination and comparison of contents will be of some use in measuring the relative influence of the two kinds of journalism. A comparison of fifteen yellow with fifteen conservative journals, selected by general appearance and reputation from all parts of the country, showed the following divisions of newspaper matter as characteristic of the two kinds of journalism, respectively:

Of yellow journalism . . . .	{	News of crime and vice
		Illustrations.
		Want advertisements.
		Medical advertisements.
Of conservative journalism .	{	Self advertisements.
		Political news
		Business news.
		Letters and exchanges.
		Miscellaneous advertisements.

By adding the average percentages (for the whole country) of the classes of matter in each group we get 16.9 as

the average percentage of yellow characteristics and 23.8 as the average of conservative characteristics. By classing journals as yellow or conservative according as they have more than the average percentage in one kind of characteristics and less than the average in the other, leaving as uncertain those which rise above or fall below the average in both, we are enabled for practical purposes to herd the horses, the asses, and the mules separately. Out of 147 papers analyzed we find 47 yellow, 45 conservative, and 55 uncertain journals. Their distribution according to news circles is shown in an accompanying table. Of twenty

NEWS CIRCLE.	Number of Yellow Journals.	Number of Con- servative Journals.	Number of Un- certain Journals.	Total.
New York . . . . .	11	10	6	27
Boston . . . . .	5	4	3	12
Philadelphia . . . . .	4	4	6	14
Chicago . . . . .	3	4	3	10
Baltimore and Washington . . . . .	2	4	2	8
Pittsburg . . . . .	1	2	5	8
St. Louis . . . . .	3	0	2	5
Cincinnati . . . . .	1	1	2	4
Minneapolis and St. Paul . . . . .	2	0	4	6
Kansas City . . . . .	1	2	1	4
Louisville . . . . .	0	1	3	4
San Francisco . . . . .	2	2	4	8
Buffalo . . . . .	1	2	2	5
Cleveland . . . . .	2	1	3	6
Indianapolis . . . . .	2	0	1	3
Omaha . . . . .	0	2	1	3
Detroit . . . . .	2	0	2	4
Milwaukee . . . . .	2	2	1	5
Rochester . . . . .	1	1	1	3
New Orleans . . . . .	1	3	0	4
Denver . . . . .	1	0	3	4
Twenty-one centres in U. S. . . . .	47	45	55	147

papers classed as "uncertain" published in the New York, Boston, Philadelphia and Pittsburg circles, eighteen have less than the average percentage of both yellow and conservative characteristics; while of eight such papers published in



the San Francisco, Denver and Omaha circles, all have more than the average percentage of both. This fact indicates that journalism is less differentiated in the West than in the East, extremes meeting, not only in the same city, but even in the same papers. An illustration of this fact may be taken from W. R. Hearst's two papers, the *San Francisco Examiner* and the *New York Journal*. In these two papers the percentages are:

*Examiner*, yellow, 37.6 per cent; conservative, 27.2 per cent.

*Journal*, yellow, 38.0 per cent; conservative, 14.8 per cent.

Yellow journals, have, as a rule, a larger circulation than conservative journals, as shown by the accompanying table.

CLASS.	"A."	"B."	"C."	"D."	"E."	"F."	All.
Yellow . . . . .	17	10	12	1	4	3	47
Conservative . . . . .	3	8	9	7	10	8	45
Uncertain . . . . .	5	13	18	4	8	7	55
Total . . . . .	25	31	39	12	22	18	147

A comparison of the prices of newspapers shows that out of a total of 147, 66 are sold for one cent apiece, 47 for two cents, 15 for three cents, and 19 for five cents. All but two of the five-cent papers are published in the San Francisco, Denver, Omaha, and New Orleans circles. The yellow journal is generally cheaper than the conservative journal, as shown in the accompanying table. As was to be ex-

PRICE OF JOURNALS.	1 cent.	2 cents.	3 cents.	5 cents.	All.
Yellow . . . . .	30	12	2	3	47
Uncertain . . . . .	24	18	4	9	55
Conservative . . . . .	12	17	9	7	45
Total . . . . .	66	47	15	19	147

pected, low price and large circulation go together, as shown by the table of prices according to circulation classes. Of

PRICE OF JOURNALS BY CIRCULATION.	1 cent.		2 cents.		3 cents.		5 cents.		All.
	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.	
Class "A" . . . . .	19	76	4	16	1	4	1	4	25
Class "B" . . . . .	17	54	8	26	3	10	3	10	31
Class "C" . . . . .	14	36	15	38	5	13	5	13	39
Class "D" . . . . .	5	42	5	42	1	8	1	8	12
Class "E" . . . . .	4	18	10	46	4	18	4	18	22
Class "F" . . . . .	7	39	5	28	1	5	5	28	18
Total . . . . .	66	45	47	32	15	10	19	13	147

the 147 papers, 69 were published in the morning and 78 in the evening. Yellow journals are predominantly evening papers, while the time of day when issued makes no appreciable difference in circulation. Of the 147 papers, 87 pub-

	Morning.	Evening.	Total.
Yellow . . . . .	14	33	47
Uncertain . . . . .	32	23	55
Conservative . . . . .	23	22	45
Total . . . . .	69	78	147

	Morning.	Evening.	Total.
Class "A" . . . . .	12	13	25
Class "B" . . . . .	19	12	31
Class "C" . . . . .	17	22	39
Class "D" . . . . .	4	8	12
Class "E" . . . . .	10	12	22
Class "F" . . . . .	7	11	18
All Classes . . . . .	69	78	147

lish a Sunday edition, 56 a weekly or Saturday edition, eleven a semi-weekly edition, and two a thrice-a-week edi-

tion. A larger proportion of yellow journals issue Sunday editions, while a larger proportion of conservative journals issue weekly editions.

EDITIONS.	Daily.		Sunday.		Weekly or Saturday.		Bi-weekly.		Tri-weekly.	
	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.	No.	Per cent.
Yellow . . . . .	47	100	29	62	9	19	1	2	1	2
Uncertain . . . .	55	100	36	67	23	43	3	6	0	0
Conservative . . .	45	100	22	49	24	53	7	16	1	2
Total . . . . .	147	100	87	59	56	38	11	7	2	1

We have already seen that St. Louis is a notable centre of yellow journalism. Every one of the five leading dailies of St. Louis gives more than the average share of space to "yellow" characteristics. It is related that a former editor of the *Globe-Democrat* who had a great influence upon St. Louis journalism, once defined the most successful newspaper manager as the man who best knew where hell was going to break out next, and had a reporter on the spot. Possibly this anecdote will give the desired key to the nature of yellow journalism, though we might add, that nowadays, when hell shows no signs of eruption, the successful newspaper manager sends a reporter to "raise" it.

If we were to count as yellow journals of the deepest dye those which give more than one-third of their space to yellow matter, we should find seven—four owned by W. R. Hearst, and two owned and one founded by Joseph Pulitzer. This fact, that the seven yellowest great dailies in the United States have been or are now under the control of one of two men, is an indication of the immense opportunity for the expression of individuality in journalism. The *New York World* and the *New York Journal* have an incalculable influence in the United States. During the late war they claimed a daily circulation of more than a million

copies each, and they were hawked upon the streets of distant cities. Their influence does not arise from popular confidence in them, but is rather the influence of association and success. Everywhere, like omnipresent rowdies, these papers make themselves felt.

An individual influence of quite a different character has been exercised by the *New York Sun* under the control of the Danas. The *Sun* is, in most respects, a conservative paper, though possessed of a brilliant individuality. This paper furnishes more "exchanges," most of which are articles of some length and value, than any other paper in the United States. In the papers analyzed 75 exchanges were

*Exchanges Found in Analyzed Newspapers.*

SOURCE.	NUMBER.
New York "Sun" . . . . .	75
Washington "Star" . . . . .	51
Chicago "News" . . . . .	50
Chicago "Record" . . . . .	46
Indianapolis "Journal" . . . . .	42
Chicago "Tribune" . . . . .	34
Detroit "Free Press" . . . . .	34
Washington "Post" . . . . .	27
Cleveland "Leader" . . . . .	27
St. Louis "Globe-Democrat" . . . . .	25
Cleveland "Plain-Dealer" . . . . .	25
Other analyzed papers . . . . .	519
Foreign journals . . . . .	93
"Puck" . . . . .	21
"Judge" . . . . .	20
"Harper's Bazaar" . . . . .	20
Other American journals . . . . .	492
<hr/>	
From all sources . . . . .	1,601

taken from the *Sun*, while only 15 and 14 were taken from the *World* and the *Journal*, respectively. The pre-eminence of the *Sun* has been due, no doubt, to its literary excellence.

Some further indication of newspaper individuality may be gleaned from a few samples of journalistic mottoes. The *Sun's* motto until two or three years ago was, "If you see it in the 'Sun,' it's so." Other examples follow:

New York *Journal*, "An American newspaper for the American people."

New York *Times*, "All the news that's fit to print."

Boston *Post*, "The representative Democratic paper of New England;" "with a mission and without a muzzle."

Worcester *Spy*, "The spy should have the eye of Argus; he is honorable if he do but look to the welfare of the commonwealth."

Brooklyn *Eagle*, "We must not conform to governments. Governments are intolerable unless they conform to us."

Philadelphia *North American*, "American in everything and always for the people;" "The oldest daily newspaper in America;" "You can believe what you read in the 'North American.'"

Buffalo *News*, "Some papers give all of the news part of the time, and some papers give part of the news all of the time. The 'News' is the only paper that gives all the news all the time."

Baltimore *Sun*, "Light for all."

Baltimore *American*, "We build."

Louisville *Post*, "If new and true, not otherwise—a Democratic newspaper."

St. Paul *Dispatch*, "You may rely upon the truth of the 'Dispatch' news and bulletins. No fakes tolerated."

Kansas City *Journal*, "By the way, the war has not interfered with making Kansas City a good place to live in."

New Orleans *Item*, "The 'Daily Item' is the paper that defends the interests of all classes."

An examination of the editorial columns of the papers analyzed revealed the extent to which editorial comment is

devoted to controversial matters. The editorials with title were upon the following general subjects:

War . . . . .	344 or 48.9 per cent.
Politics . . . . .	218 or 31.0 per cent.
Foreign affairs . . . . .	42 or 6.0 per cent.
Miscellaneous news . . . . .	39 or 5.5 per cent.
Literature and science . . . . .	19 or 2.7 per cent.
Business . . . . .	16 or 2.3 per cent.
Self . . . . .	10 or 1.4 per cent.
Social news . . . . .	7 or 1.0 per cent.
Crime and vice . . . . .	6 or .9 per cent.
Sporting news . . . . .	2 or .3 per cent.

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All subjects . . . . . 703 or 100 per cent.

The average number of editorials for each paper was 4.8, with a considerable preponderance in favor of conservative journals. A comparison of the papers does not show any marked differences in the subjects of editorial comment in yellow and conservative sheets.

One of the most encouraging signs in the journalism of to-day is the excellence and apparent success of the "Home Study Circle," conducted by Professor Seymour Eaton, of Drexel Institute, and published in the *Chicago Record* and about a dozen other papers from Newark, N. J., to Denver, and from Minneapolis to New Orleans. The studies are written by specialists, among whom are many eminent college men. The subjects of study are numerous and interesting, including literature, science, history, biography, art, government, political economy, and industry. The educational value of this movement ought to be very great. A number of papers which do not publish the "Home Study Circle" have literary and scientific features, one of the most common being the "household" page, on which is sometimes published a copyrighted menu. Another valuable feature sometimes found in newspapers is the question bureau. One recent development of New York journalism is the Sunday or Saturday "Magazine Supplement," which

is generally calculated to popularize art. Although the *New York Times*, with which this feature originated, has discontinued its Sunday supplement on the plea that henceforth it wishes to be a *newspaper* strictly, the *Times* supplement has already had a wide and probably beneficial influence on the Sunday newspaper. The *Times* still issues an excellent Saturday supplement, devoted to the "review of books and art," and a Monday supplement, or weekly financial and commercial review.

If a newspaper is to have an individual influence, that is, if it is to be a leader of public opinion rather than a mere reporter of events, it should exercise its power through the editorial columns. The intelligent reader can tolerate any kind of editorial vehemence better than the discoloration of news. The most powerful influence that lends itself to the discoloration or suppression of news is, in general, partisanship, whether it be sincere or subsidized. The 147 papers here under examination show political affiliations as follows:

Republican . . . . .	42	
Independent Republican . . . . .	9	
	<hr/>	51
Democratic . . . . .	29	
Independent Democratic . . . . .	11	
	<hr/>	40
Independent . . . . .	44	
Unknown . . . . .	12	
	<hr/>	56
		<hr/>
		147

The parties divide the honors about equally so far as circulation and yellow journalism are concerned, though the Democratic party has slightly the better of it in both particulars. It should, perhaps, be noted as a sign of the development of a new partisanship that eleven out of the 147 papers carry the "Union label." Three of these papers are in Louisville and two in Milwaukee.

Although it has not been within the scope of this investigation to inquire into the details of news-gathering, one or two significant facts appear from a study of the papers themselves. During the war a set of newspapers in different parts of the country would publish syndicate dispatches other than those of the *Associated Press*. The *Herald*, the *World*, and the *Journal*, all of New York, were each at the head of a war news syndicate comprising eight or ten leading papers in nearly as many cities. There was also the "Scripps-McRae League," which is apparently a permanent syndicate composed of six papers published in the central West. These papers seem to draw upon a central editorial bureau to a certain extent. At any rate, an identical "leader" entitled "Governor Scofield's Cow" appeared in both the *Cleveland Press* and the *Kansas City World*, members of the League.

Something has already been said of the possibilities of individual leadership in journalism. The other side of the paradox is that the effacement of the individual often seems so complete and so hopeless as to discourage ambitious young men from entering the journalistic profession. As the business of collecting and distributing news gets better organized, it is undoubtedly true that the call for strong individuality in journalism grows less. The newspaper business is, perhaps, getting farther and farther away from the *profession* of journalism. Certainly the established newspapers are coming to be more and more institutional. It requires a large outlay of capital to make a newspaper succeed, and, without independent means, it requires great, perhaps almost impossible, adaptability in the thoroughly intelligent and conscientious man to walk the path that leads to the editorial chair. The newspaper, which is pre-eminently a public and not a private institution, the principal organ of society for distributing what we may call working information, ought not to be controlled by irresponsible individuality. Those newspapers that are partisan



organs are, in large measure, politically controlled, and in so far as they are really responsible to their party, they perform a more important public function than they could if subject to the caprice of the individual owner or editor. At the same time, a journal whose news columns are prostituted to the interests of a faction or a "boss" does not deserve the name of newspaper. The same is true of a journal subsidized by private interests of any kind to tamper with the news. For these reasons, complete independence of private or factional interests, and a consequent subordination of the editorial page to the news column, is coming to be widely recognized as the ideal of journalism.

Let us see what the function of news is. All information that is useless is worse than useless, because it detracts one's attention from his work to no purpose. But the retail merchant often looks into the daily paper to find the latest market prices, and acts upon the information obtained. The boy out of work searches the want columns and gets direction in his hunt for a situation. Probably almost everyone sometimes goes to the newspaper for information that will immediately affect his action. Yet the great mass of the information we get in reading the papers affects our action only vaguely and remotely, if at all. It would probably be much more advantageous, for most people, to read a concise and accurate review of foreign news and general home news once a week or once a month than to glance every day through columns of unverified reports and surmises about what is happening or going to happen. Some periodicals published weekly, monthly, or quarterly, give such reviews at the present time, and a few newspapers assist their readers by printing on the front page either a table of the principal contents of the paper or a digest of the day's news. Indeed, the system of elaborate headings, which in yellow journals sometimes extend clear across the page and take up a large share of the space, is de-

signed to catch the eye and relieve the general reader from the trouble of plodding through the lengthy dispatches in fine print. One of the characteristic methods of yellow journalism is to prostitute the headlines to an unworthy function, either by making them unduly prominent and thus forcing attention or by making them exaggerate or misrepresent the contents of dispatches. In any case, headlines and daily summaries are the editor's abbreviations of the daily news and rumors, and are less trustworthy, though more accessible sources of information than the news columns themselves. The reader of the daily papers is often at a loss to give any connected account of the course of important events simply because he has had a rapid series of vague and conflicting impressions from hastily looking over the headings of daily dispatches. It is clear that present-day journalism, with its numerous daily editions and its fierce competition for priority in the publication of news, has greatly overdone the matter. When two or more papers get to "running" each other, they often lose all sense of responsibility to the public, and their competition becomes simply a game for the opportunity of self-gratulation. There is at present a general tendency to exaggerate the importance of being "up-to-date." We are so thoroughly up-to-date that we might about as well celebrate our funerals and see who can get to heaven first. May we not define the appropriate function of the newspaper thus? The newspaper should render easily accessible to the individual all widely-interesting news as promptly as is consistent with accurate reporting, and should furthermore give concise reviews of public events just passed. In other words, news should be for use, not principally for stimulation. The newspaper should not endeavor to magnify the importance of news for the purpose of creating interest and increasing its sales. This latter proposition, though apparently reasonable, seems almost ludicrously impracticable. It is evident that we have struck the bread-and-butter problem.

Here we get into inevitable controversy, for competition, "the life of trade," is brought into court.

The vital question with reference to the newspaper business is, from the social standpoint, the question of control. Who shall be responsible for the newspaper? It is rationally absurd that an intelligent, self-governing community should be the helpless victim of the caprice of newspapers managed solely for individual profit. The practical newspaper man would choose to publish a partial and inaccurate account of some new occurrence to-day rather than wait till to-morrow and be able to publish a full and exact account of the affair. Furthermore, an earlier garbled report makes a later complete report unavailable—it is no longer *news*. Why are these things so? Simply because the *sine qua non* of successful competitive journalism is believed to be not to give an accurate report, but to give the *first* report. The American people must dearly love the freedom of the press, or we should have heard before now much talk of government control or operation of the newspaper. Censorship is, however, distasteful to the people even when apparently necessary in time of war. Nevertheless, the newspaper business, if not a "natural monopoly," is at least a business in which a large aggregation of capital and a widespread and unified organization for news-gathering and news-distribution is essential to success. The function of the newspaper is so predominantly public and its service so universally requisite, that many government undertakings are far less truly political. When we assail political corruption we generally blame either the "politicians" or the "citizens." If the latter, we practically concede that there is no immediate remedy for corruption available. In attacking the abuses of journalism, there is a like tendency either to put the blame on the newspaper managers or on the "public." If we blame the "public" solely, there is no apparent remedy; for the newspapers themselves are coming more and more to be the principal organs through

which public tastes are formed and appeals to public intelligence made. The tool is master of the man, and, too late, we blame the man. It is certainly probable that a newspaper directly responsible to an intelligent and conscientious public would have to be a good journal in order to succeed. In a perfect democracy the newspaper business would regulate itself. But, unfortunately, the "public" is not altogether intelligent and conscientious, and for that reason the newspaper becomes an organ of dynamic education. It would be treachery to social ideals for school-teachers to choose and pursue their profession *simply* as a money-getting enterprise. The same is true of journalism. Responsibility must attach to this public function.

If the people trusted their chosen governors and were themselves united in their support of the public welfare, they would undoubtedly be willing to put the newspaper business, like education, into government hands, though not as a monopoly. In fact, however, we as a people still regard government as a necessary evil. It is my belief that the salvation of our cities depends on the displacement of this view by the view that government, the co-operative organization of all for the benefit of all, is a necessary good. Newspaper competition is, as we have seen, most severe in the largest cities, and there also the need of a new development of social consciousness is most pressing. Weekly and monthly journals appeal to a more widely scattered constituency, and for that reason do not supply to the city man even imperfect summaries of city news and municipal doings. For such summaries he must depend on himself or on municipal reports. Annual reports for free distribution are usually published by the large cities. Two American cities, New York and Boston, publish a daily or weekly "City Record," containing an account of all municipal business. These two cities also have instituted statistical bureaus for the collection and distribution of what we may call general municipal news. In Cleveland, at least, bulletins of important events are posted daily in the public

library. In another direction also government is encroaching upon the field of the newspaper. In the establishment of public employment bureaus under state authority in Chicago and some other cities, we see an entrenchment upon the "want ad" columns of the daily newspaper. Is it at all unlikely that, following out these lines of activity, government, particularly in cities, will sooner or later put into the field newspapers to cover at least the news of local business and politics and be available for use in the public schools, the public libraries, the city offices, and elsewhere? If such journals could be kept free from factional control and from the debauching influence of irresponsible newspaper competition, they would be of great service in the education of the "public" and in the control of private journals.

But let no one imagine that government operation is here prescribed as a panacea for the evils of irresponsible journalism. Mr. Hearst has worked like a hero to make the *New York Journal* the yellowest and most successful journal in the United States. Practically, he "endowed" yellow journalism. The endowment scheme for newspaper reform is not generally accepted as practicable. There is a feeling that journalism should be a business, and that news-gathering and distribution should pay for itself. Those who object to the endowment plan should, however, reflect upon the question whether or not the *public* has not already been "endowed" by someone when a newspaper can be bought regularly for less than the cost of the paper on which it is printed. Possibly the secret of many newspaper evils lies in the fact that the advertisers and the readers can be played off against each other. In order to get a large circulation with which to catch advertisements, the price of the paper is reduced, its size increased, its headlines made sensational, and illustrations introduced to stimulate the flagging senses of the reader. Then, as advertisements flow in at increased rates, the price of the paper can be further reduced and its attractions multiplied. Under these circumstances advertisements of doubtful character are accepted

as a matter of course. Ought not the advertising sheet and the newspaper be separated so that each would have to pay for itself? Advertisements that are really of general interest to the public should, on such a theory, be published as news. At any rate, the chief argument against the endowment of a newspaper seems to rest on a misconception of present conditions, and there is no apparently satisfactory reason why some of our surplus millionaires should not emulate the example of Mr. Hearst, with this difference, that they devote their money, their brains, and their energy to the promotion of public intelligence instead of the stimulation of public passion. In the meantime it may be possible to work toward a better journalism by introducing or strengthening the legal responsibility of newspapers for publishing only reliable news.

We ought not to despair of newspaper reform. We need a development of the sense of social responsibility for the use of brains and money. If this were general, government journalism would be safe, though perhaps unnecessary. While this sense of responsibility manifests itself in a few individuals only, they have all the greater opportunities for distinguished social service. The efforts of reformers are often decried on the plea that we are in the grasp of inevitable tendencies and that there is no use of trying to turn the natural course of civilization. Do we not forget that the instruments of our present civilization were invented and the direction of our development turned in particular ways by the herculean efforts of individuals, formers and reformers? Anyhow, there is still room for evolutionary methods; for good is mixed with the evil of even the yellowest journals, and many successful journals still preserve their fair name. When society is well organized, social intelligence will be better organized than it now is. The advance of the newspaper toward exact reporting will go hand in hand with the exact organization of human affairs.

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## REPRESENTATION IN STATE LEGISLATURES.

### III.

#### THE SOUTHERN STATES.

Other reasons than those of mere convenience of geographical grouping may be advanced for devoting a special discussion to representation in the legislatures of the Southern states. To the student of political institutions the "Solid South" has a distinct significance quite apart from the ordinary meaning of the term. Four of these states were among the original thirteen, while the admission of all the others falls well within the first half of this century.<sup>1</sup> Until comparatively recently they have all been for the most part slow-growing agricultural communities. Such conditions make for uniformity in the spirit and in the forms of government. But other and less spontaneous influences have been at work in the same direction. All of these commonwealths have passed through the disorganizing ordeal of the war between the states, and at its close they resumed their old place in the union, only after deep if not permanent impressions had been made upon their governmental institutions by a reconstruction process forced upon them from without.<sup>2</sup> Moreover, all of these states have had to grapple more anxiously than their sister commonwealths with a perplexing race problem—a problem which was not only involved in all the events that led up to reconstruction, but which has been and still is an effective cause of gradual modification in government—modification not the less radical because it is not in all instances reflected in formal change of constitution or of statute.

<sup>1</sup> The functions of state government were not new to the people of West Virginia before her separation from the parent state in 1863.

<sup>2</sup> The constitution of West Virginia reflects the spirit of the reconstruction period.

## I.

*Who are represented? or rather, who may vote in the choice of legislators?*

Only four of these states fail to stipulate expressly that voters must be citizens not only of the state but of the United States as well.<sup>1</sup> The prevalent qualification of residence within the state is one year; it is not without significance that the only states requiring a two-year term of preliminary residence should be the very ones which have revised their constitutions within the past decade,<sup>2</sup> and it is these states which are the most exacting in their requirement as to residence within the county or voting precinct, insisting upon a full year, while elsewhere a much shorter period is accepted.<sup>3</sup> Yet these states make discriminations among new-comers. Thus, Mississippi gives the right to vote after only six months' residence in the election district to ministers in charge of organized churches who are otherwise qualified; South Carolina is still more liberal in extending the concession not only to ministers, but also to teachers in the public schools, after a residence of but six months in the state.

Just half of these states insist upon the payment of taxes as a preliminary to voting. In four instances this is confined to the poll-tax,<sup>4</sup> while in Georgia and in Mississippi all the taxes required during a stated period must have been paid.<sup>5</sup>

The disqualification of persons of unsound mind, of criminals and of paupers is practically universal. Crimes against the ballot are visited with especial condemnation in Virginia and in Florida, the latter state even disfranchising

<sup>1</sup> West Virginia, Alabama, Arkansas and Texas.

<sup>2</sup> Mississippi, South Carolina and Louisiana.

<sup>3</sup> Sixty days in West Virginia. Three months in Virginia, North Carolina and Alabama. Six months in Georgia, Florida, Arkansas, Texas and Tennessee.

<sup>4</sup> South Carolina, Tennessee, Florida and Louisiana.

<sup>5</sup> In Georgia, all taxes up to the year of the election; in Mississippi all for the two years next preceding the election.



any person "who shall make, or become directly or indirectly interested in, any bet or wager, the result of which shall depend upon any election." Virginia includes treason in her list of disqualifications, and Georgia specifies the unusual disqualification of treason against the state. Both Virginia and Florida deprive of the right to vote any person "who, while a citizen of this state, has since the adoption of this constitution fought a duel with a deadly weapon, either within or beyond the boundaries of this state, or knowingly conveyed a challenge, or aided or assisted in any manner in the fighting a duel."<sup>1</sup>

The suffrage laws of the Southern states are in transition stage, and hence present striking contrasts even in adjoining states. Yet it is only during the last decade that these contrasts and the tendency have become marked. The reconstruction acts and the last two amendments to the constitution seemed to rivet fast upon these states suffrage laws which were by no means of their own choosing. For our present purpose it is enough to recall that the Reconstruction Act of March 2, 1867, required as a condition precedent to the withdrawal of the military governments and the admission of representatives into congress, not only the ratification of the Fourteenth Amendment, but also the framing of a state constitution by a convention chosen by an electorate consisting of all the male citizens of the state of proper age, "of whatever race, color or previous condition," and the ordaining in that constitution of the same qualifications for the electoral franchise.<sup>2</sup> As these prerequisites were deemed by most constitutional lawyers to be of doubtful validity as the basis for the maintenance by congress of freedman suffrage in the restored states, there was sent to the state legislatures in 1869 the

<sup>1</sup> Virginian Constitution. The Florida statute is similar.

<sup>2</sup> Says Professor Dunning: "In short, the full enfranchisement of the blacks and the disfranchisement of the leading whites were required as conditions precedent to the enjoyment of the rights of a state." *Essays on the Civil War and Reconstruction*, p. 124.

Fifteenth Amendment, and its ratification was exacted from the four states whose representatives had not already been admitted to congress.<sup>1</sup> But the subjection of what had been the ruling class to a new "political people," brought into being as such by law and not by experience and self-discipline in government, could not, in the nature of things, be permanent. Even in the states where the whites were heavily out-numbered by the blacks only eight years had passed before the whites had found means to regain their ascendancy. But the vanquishing of ignorance and inexperience by force, intimidation and fraud was not an inspiring spectacle; hence other and less obnoxious devices have been sought out for accomplishing the same object. The "fatal precedent," which some of the New England states had set in requiring an educational qualification was found to be full of suggestiveness for the solution of the southern problem, and during the past decade these states have developed remarkable ingenuity in the art of framing suffrage laws. Interest centres in several features of the subject which cannot be discussed separately, viz., registration, and certain qualifications of property, education or birth. As regards registration the constitutions present remarkable contrasts,—contrasts, however, which are more apparent than real. Thus, the constitutions of West Virginia and of Arkansas<sup>2</sup> absolutely prohibit the depriving of any citizen of the right to vote at any election "because his name is not or has not been registered or listed as a qualified voter." But in each state the assessors are charged with the duty of making out an elaborate list of

<sup>1</sup> It is to be remembered that four of the important Northern states, Ohio, Michigan, Minnesota, and even "Bleeding Kansas," had refused to extend the suffrage to the blacks, and that the Republican platform in the campaign, which resulted in Grant's election had affirmed: "The guarantee by Congress of equal suffrage to all loyal men at the South was demanded by every consideration of public safety, of gratitude and of justice, and must be maintained, while the question of suffrage in all loyal states properly belongs to the people of those states." Stanwood, *Presidential Elections*, p. 258.

<sup>2</sup> West Virginia Constitution. The similar provisions of the Arkansas Constitution are to be found in Art. III, Sec. 2. See also Act of April 10, 1893.

poll-tax payers, with specifications of age, residence, occupation, etc. Both the assessor and the voter are subject to heavy penalties if this listing is not accurately done. Copies of these lists are furnished to the officers at every polling place, and any man challenged upon the basis of these lists is obliged to make affidavit that he is a legal voter, stating his age, residence, occupation, etc. In Georgia, Texas and Tennessee registration is allowed only in counties and towns of exceptionally large population. It is permissive under the constitutions of Alabama and of Virginia, where both the form and the enforcement of the law are said to savor of race partisanship. In contrast with these prohibitions or permissions there is to be set the express requirement of registration as a prerequisite to voting in the constitutions of five other states. It is significant that in four of these the express requirement is a provision of the constitutions which have been revised during the last fifteen years. It is, therefore, a feature of the new suffrage law; it reveals one line of tendency.

Having refused to accept the suggestion of President Johnson that the ballot be given to negroes who possessed a little property and who could read and write, Mississippi at last found herself obliged to accede to a constitution which not only admitted to the suffrage all male citizens of the United States possessing certain age and residence qualifications, but which also prohibited the imposing of any property or educational qualification before 1885. The most significant feature of the constitution of 1890 was the peculiar application of an educational test, in the requirement that on and after January 1, 1892, every elector, in addition to the other qualifications, should be "able to read any section of the constitution of this state, or . . . to understand the same when read to him, or give a reasonable interpretation thereof."<sup>1</sup> The payment of a poll tax is coupled with this provision. It is impossible to gauge with accuracy the

<sup>1</sup> Constitution of Mississippi, Art. XII, Sec. 204.

effects of the adoption of this qualification. Long before 1890, for various reasons, the negro had lost much of his zest for voting. Some inferences, however, may be drawn from the fact that while in 1890 the colored males of voting age were 150,436 as compared with 121,504 whites, the registered colored vote in 1896 was 16,234 as compared with a white vote of 109,337. In other words, while negro males of voting age exceed the whites by about 30,000, the total negro vote registered under the new dispensation is reduced to a little more than one-half of this excess.

South Carolina soon proved an apt pupil. The constitutionality of the Mississippi registration qualifications having been upheld by the courts,<sup>1</sup> they became the precedent in the constitutional convention of 1895, and substantially the same provisions were ordained by the convention for immediate effect,<sup>2</sup> but only as a temporary stop-gap.<sup>3</sup> At the end of two years these qualifications were to be replaced for all new applicants for registration by those which are now in force; the would-be voter must be able to read *and write* any section of the constitution submitted to him by the registration officer, *or* show that he owns and has paid taxes collectible during the previous year on property within the state assessed at \$300 or more. At the present time, therefore, the candidate for registration must face the alternative of an educational or property test. South Carolina does not

<sup>1</sup> *Sproule v. Fredericks*, 69 Miss., 893; *Dixon v. State*, 74 Miss., 271. The opinion which had prevailed in the state courts has now received the sanction of the Supreme Court of the United States. In the case of *Williams v. Mississippi* it was held that; "the provisions . . . in section 244 (of the constitution of Mississippi) making ability to read any section of the constitution, or to understand it when read, as a necessary qualification to a legal voter . . . do not amount to a denial of the equal protection of the law, secured by the Fourteenth Amendment to the Constitution; and it has not been shown that their actual administration was evil, but only that evil was possible under them." U. S. Reports, 170: 213. Decision rendered April 25, 1898.

<sup>2</sup> In Mississippi fourteen months had been allowed before the new qualifications should go into effect.

<sup>3</sup> Up to January 1, 1898, all males of voting age, applying for registration, "who can read any section of this constitution, submitted to them by the registration officer, or understand and explain it when read to them by the registration officer, shall be entitled to register, and become (permauent) electors."

make her election statistics available for the purpose of testing the effects of this law.

Three years later Louisiana approached the suffrage problem with confidence born of her own experience: a recent registration act had already worked a great transformation in the electorate.<sup>1</sup> But in the convention yet more radical action was taken. Louisiana's educational test takes the rigorous form of the writing out of an application for registration, making use of an elaborate formula containing about seventy-five words. For the man who cannot read and write, as in South Carolina, there is offered as a second option the producing proof that he owns and pays taxes upon property within the state, assessed at not less than \$300. But it is the third option which constitutes Louisiana's original contribution to suffrage legislation. Three months and a half were allowed for any man to secure his registration as a voter for life, who, while possessing neither the property nor the educational qualifications, could prove that "on January 1, 1867, or any date prior thereto, he was entitled to vote under the constitution or statutes of any state of the United States, wherein he then resided, *or that he is the son or grandson* of some such person, not less than twenty-one years of age at the date of the adoption of this constitution." In this special registration 29,198 men were made permanent voters of Louisiana by taking advantage of this "son-or-grandson" clause. These constitute a peculiarly American form of "hereditary aristocracy."

The first election under the new constitution, held April

<sup>1</sup> The results of this act may be inferred from the following figures:

	Jan. 1, 1897.	Jan. 1, 1898.
Number of white voters . . . . .	164,068	74,133
Number of colored voters . . . . .	130,344	62,402
Number of white voters who write . . . . .	133,603	68,442
Number of white voters who make their mark . . . . .	28,371	6,540
Number of colored voters who write . . . . .	33,803	7,541
Number of colored voters who make their mark . . . . .	94,498	5,361

The first column presents the registration under Act 123 of 1880. The second column presents the registration under Act 89 of 1896.—*Biennial Report of Secretary of State, La., 1896-1898.*

17, 1900, affords an opportunity for observing some of the workings of the new law. In the first place, registration is said to have fallen fifty per cent below that of the previous year. Only about 7,000 negroes registered. The lightness of the vote cast,—only about two-thirds of those registered,—may be accounted for partly by the furious storm which was raging on election day; but it is probable that a large part of the explanation is to be found in the fact that there was so little opposition to the dominant party among the whites that comparatively few of them bothered about voting.<sup>1</sup> In the new legislature, which was then elected, every member of each chamber is a Democrat, although in the previous one the minority parties had elected 16.6 per cent of the senate, and 27.5 per cent of the house.

In the Louisiana convention it is reported that both of the United States senators opposed the clause which provides for the registration of the illiterate whites, because of its questionable constitutionality, and declared that they could never defend it upon the floor of the senate.<sup>2</sup> Since its adoption, however, it has been hailed in other states as the bow of promise. In North Carolina there is now pending a proposed amendment to the constitution, requiring that the candidate for registration shall be able to read and write any section of the constitution in the English language, *unless* he registers as one who was a legal voter on or before January 1, 1867, or as "a lineal descendant of any such person." With the exception of the payment of a poll tax for the previous year, no property qualification is required—it is regarded as needless, since Louisiana has put forward her ingenious device for excluding the blacks. "Lineal descendants" are allowed until December 1, 1908 for their registration. This amendment was passed with tremendous

<sup>1</sup> In reporting this election, the *New York Nation* raises the question whether what the *Vicksburg Herald* has characterized as "a surrender to party absolutism," which results in an "oligarchy" in Mississippi, is not the goal toward which Louisiana politics are also tending.—*Nation*, April 26, 1900.

<sup>2</sup> *New York Sun*, May 22, 1898.

enthusiasm by both houses of the legislature,<sup>1</sup> and now awaits the ratification of the voters at the poll, in August 1901.

In Alabama the present constitution ordains: "No educational or property qualification for suffrage or for office, nor any restraint upon the same on account of race, color or previous condition of servitude shall be made by law." Yet the calling of a convention, the principal object of which is to be the disfranchisement of the negro, was one of the chief issues of the recent campaign, and the result is considered distinctly favorable to the speedy carrying out of that project.<sup>2</sup> In Virginia, too, (although the constitution distinctly prohibits the making of any amendment or revision "which shall deny or in any way impair the right of suffrage . . . except for causes which apply to all persons and classes without distinction") the call for a convention to disfranchise the negro has just been carried by a considerable majority.<sup>3</sup> It is significant that the industrial

<sup>1</sup> "The passage of the amendment was greeted with great applause in both houses, the galleries and lobbies being thronged with spectators. Such a scene has not been witnessed in the General Assembly of this state in many years."—Raleigh dispatch to New York *Sun*, February 19, 1899. The Democratic candidate for the governorship recently issued an edifying defense of the proposed amendment, which his party has taken up as a party measure. He says: "The amendment to the constitution is presented in solution of the race problem in North Carolina. It is carefully and thoughtfully drawn. It stays inside of the Fifteenth Amendment, and nevertheless accomplishes its purposes. It adopts the suggestion of Senator Cullom, and demands the existence of sufficient intelligence, 'either by inheritance or by education,' as a necessary qualification for voting. It requires of the negro the qualification by education because he has it not by inheritance. The amendment makes a distinction between a white man and a negro, but it does so on the ground that the white man has a knowledge by inheritance which the negro has not."—Quoted in the *Outlook*, N. Y., June 2, 1900.

<sup>2</sup> Of the results of the election the Birmingham, Alabama, *News* (Dem.) writes as follows: "And now comes up the question of the fruits of victory. Morgan stood for a constitutional convention and the elimination of the ignorant negro vote. Alabama cannot afford to let the opportunity to purify its ballot box go by. The constitutional convention must come, and it should come quickly. White men must not be compelled, in this progressive state, to steal ballots from negroes, to place themselves upon an equality with the negro by pretending to give him the right of suffrage, and then sneaking it from him."—Quoted in *Public Opinion*, April 26, 1900.

<sup>3</sup> Election, May 24, 1900. Estimated majority in favor of the convention, about 15,000.—Boston *Herald*, May 26, 1900.

districts, where the whites largely predominate, voted overwhelmingly against the calling of the convention; it was in the black belt, where the blacks outnumbered the whites three to one, that the decisive majorities were cast in favor of disfranchising the greater part of the present electorate, a fact which furnishes a peculiar commentary upon the vitality and independence of the suffrage now possessed by the blacks. In Georgia the call of such a convention has recently been defeated, but in all the other states where the black vote is feared, since Louisiana set the example, the agitation in favor of disfranchisement has become increasingly strong and persistent.

## II.

### *What is the basis of representation?*

Old as are these states, each has passed through an ordeal of reconstruction which has destroyed many of the earlier political landmarks. It results that in such matters as the number of senators and of representatives there is discerned evidence of the artificial, of theorizing as to the normal size of legislative bodies and the normal ratio between them. Indeed, the South Carolina senate is the only one of the twenty-four chambers in which representation is apportioned strictly according to the boundaries of historic communities—one senator to each county. In most cases the constitutions prescribe minima and maxima between which the representation in each house may vary. In the course of a few years the maxima are almost invariably reached.<sup>1</sup> The Mississippi convention took unprecedented action in 1890 in apportioning the maximum numbers for each house, and providing that the legislature might reduce these numbers to the stipulated minima, on condition that the relative

<sup>1</sup> The exceptions are the Arkansas senate and the Texas house, the latter having but 128 as compared with the authorized 150. In Louisiana each house of the first legislature elected (April 17, 1900), under the new constitution, fall but two below the maximum.



numbers assigned by the constitution to three county groups should be preserved. Round numbers have had some influence; three of the lower houses have each 100 members, with corresponding senates of 32, 33 and 40. The senates vary from 31 to 45; the range in the lower house is from 68 in Florida to 175 in Georgia, a number which is exceeded in only five states of the union, all but one of which are in New England.<sup>1</sup>

In eight of the states of this group senators are chosen from single-member districts,<sup>2</sup> although occasional provisions show some regard for county lines.<sup>3</sup> Georgia allows the legislature to change the senatorial districts, subject to the condition that "neither the number of districts nor the number of senators from each district shall be increased." West Virginia is divided into districts, each of which elects two senators, but it is stipulated that when a district is composed of more than one county both senators shall not be chosen from the same county. The constitution authorizes the legislature to submit to the people at any general election a "plan or scheme of proportional representation in the senate of this state," but as yet no such change has been made. South Carolina accords one senator to each county, regardless of differences in population. Louisiana apportions her senators among districts according to population,<sup>4</sup> yet both here and in Mississippi<sup>5</sup> the one-member district prevails. In the latter state, elaborate provision is made to secure in the larger districts either the election of a

<sup>1</sup> New Hampshire, Vermont, Massachusetts, Connecticut and Pennsylvania. Illinois comes next with a house of 131 members.

<sup>2</sup> Virginia, North Carolina, Georgia, Florida, Alabama, Arkansas, Tennessee and Texas. Virginia and Arkansas each have one district that elects two senators.

<sup>3</sup> North Carolina forbids the division of a county in forming a senatorial district, unless the county be entitled to two senators. Alabama and Tennessee both prohibit the division of a county in forming a district, and also the combination of counties in a single district, unless they are of contiguous territory.

<sup>4</sup> Thirty districts elect thirty-nine senators, nine sending two each, and twenty-one sending one each; among the latter are included ten New Orleans districts.

<sup>5</sup> Forty-five senators are chosen in thirty-eight districts, thirty-three of them electing one each.

"floatorial" senator, or else the distribution of senatorial representation according to residence.<sup>1</sup>

In apportioning members in the lower house three of the states make districts the basis of representation, but two of these are carefully regardful of county lines. The other nine states, in contrast with most of the New England and northern states, take the county as the basis for representation in the lower house. The prevailing practice is to guarantee one member to each county, giving additional members to the counties having the largest surpluses, a ratio of representation having been determined by dividing the population of the state by the number of members to be elected. The variations from this simple type are too slight to require discussion.<sup>2</sup>

### III.

#### *How are the legislatures elected?*

The fact that within a single half decade constitution-making under substantially the same abnormal conditions went on in all these twelve states may account for many points of resemblance which thirty years of subsequent political life have not effaced, but rather have emphasized. As regards the term of office, for example, seven of these states have adopted two years for representatives and four for senators, the senates being renewed by halves every two

<sup>1</sup> E. g. "The counties of Washington and Sunflower, the Twenty-ninth district. The county of Washington shall elect one senator, and the counties of Washington and Sunflower a senator between them." "The counties of Chickasaw, Calhoun and Pontotoc, the Thirty-first district, shall elect two senators. Both senators shall at no time be chosen from the same county."

<sup>2</sup> Virginia's 100 delegates are elected from eighty-two districts. Sixty-nine elect one each; eleven elect two; one elects four, and one five.

In West Virginia every county containing not less than three-fifths of a ratio is attached to some contiguous county. Forty-one counties serve as districts, twelve elect two each; one three, and two four. There are eight delegate districts; seven combine two counties, and one three: these districts elect one or two members each.

In Tennessee twenty districts, comprising from two to six counties apiece, elect one representative each; fifty-four counties constitute single-member districts; four elect two; one, three, and two seven each.

years.<sup>1</sup> In three states the term of the members of both houses is two years,<sup>2</sup> while Mississippi and Louisiana, whose constitutions are among the most recent,<sup>3</sup> elect both senators and representatives for a four year term. Wherever both houses have the same term their renewal is total at each election.

South Carolina and Georgia are the only Southern states which cling to annual sessions of the legislature. In all the others the sessions are biennial.<sup>4</sup> Although more than a third of the states of the Union put no limit upon the legislative session, such freedom is not prevalent in these Southern states. Mississippi alone leaves her regular session unlimited, but even here the stated "special" session held every fourth year, is restricted to thirty days.<sup>5</sup> All the other states fix a limit ranging from forty to ninety days, sixty being the most common. In doing this they have introduced several interesting innovations. Thus, three allow the session to be extended beyond the stated time, but only upon the vote of a special majority of the members elected to each house.<sup>6</sup> Three states speed their legislators' home-going by shutting off all pay after a certain number of working days,<sup>7</sup> while Texas merely cuts down their wages 60 per cent at the end of sixty days. Four states fix the session's limit irrespective of pay.<sup>8</sup> Even to special sessions rigid bounds are set,<sup>9</sup> and their work is usually

<sup>1</sup> Virginia, West Virginia. South Carolina, Florida, Alabama, Arkansas, Texas.

<sup>2</sup> North Carolina, Georgia, Tennessee.

<sup>3</sup> Mississippi, 1890; Louisiana, 1898.

<sup>4</sup> Mississippi's regular session comes every *four* years, but a special session is held in the middle of each term, so that the sessions are actually biennial.

<sup>5</sup> Unless the governor in the public interest shall extend it for a number of days specified in his proclamation.

<sup>6</sup> Virginia, ninety days; may be exceeded on vote of three-fifths. West Virginia, forty-five days; may be exceeded on vote of two-thirds. Arkansas, sixty days; may be exceeded on vote of two-thirds.

<sup>7</sup> North Carolina, sixty days; twenty for a special session. Tennessee, seventy-five days; twenty for a special session. South Carolina, forty.

<sup>8</sup> Georgia, fifty; Alabama, fifty; Louisiana, sixty; Florida, sixty, and twenty for a special session.

<sup>9</sup> Twenty days in North Carolina, Florida, and Texas; Mississippi, thirty; Virginia, thirty, extension of regular session.

confined to the consideration of appropriation and revenue bills and the specific matters laid before the legislature in the governor's proclamation convening it.

In methods of electing senators there is but the slightest opportunity for variety, since in ten of the states but one senator is chosen in a district at any election;<sup>1</sup> this includes West Virginia, where two senators are chosen from each county, but only one at each election. In the states which admit a larger representation to a single district the single-member districts predominate, and no district chooses more than three;<sup>2</sup> in every case, too, these three members belong to the same party, so that plural representation does not secure proportional representation.

In but four of the states are representatives chosen by districts.<sup>3</sup> The southern counties, though large in area, are small in population, and hence in the other states they serve as the unit from which the representatives are chosen. Members are allotted to them in proportion to population, but in eight of the states each county is accorded one representative. Florida requires that each county shall have one representative elected from the county at large while no county may elect more than three.<sup>4</sup> Most of the representatives throughout the south, however, represent but a single county.<sup>5</sup>

<sup>1</sup> This includes Virginia and Arkansas, each with a single two-member district.

<sup>2</sup> In Mississippi, thirty-three districts elect one senator each; three two, and two three; in Louisiana twenty-one districts elect one each, and nine two.

<sup>3</sup> Virginia and West Virginia; in the latter, however, there are but eight delegate districts, made up of small counties, the other forty-one counties each electing its own representatives, from one to four in number. In Tennessee a county which contains two-thirds of the representative ratio, obtained by dividing the population of the state by the number of representatives to be chosen, is guaranteed its own member.

Texas obtains its ratio in the same manner, and guarantees one representative to each county possessing a complete ratio. Like Indiana, Texas also provides for the joining of contiguous counties having fractional surpluses in a single district, electing a representative at large.

<sup>4</sup> In Florida one district only elects three; twenty-one elect two each, and twenty-three elect one each.

<sup>5</sup> The few other variations from the one-member system are discussed under the topic, the "elasticity of representation," at the end of this paper.

In the matter of compensation for legislative service there is more of uniformity here than elsewhere. Only two of the twelve states pay a stated salary, and in each of these the sum is gauged on the day-wage basis.<sup>1</sup> Seven pay at the rate of four dollars a day; Florida and Arkansas pay six, while the others have fixed upon five. Texas alone diminishes the wage if the legislators drag out their session unduly. All of the states pay in addition a mileage, reckoned in eight of them at ten cents. Texas pays at the rate of five dollars for twenty-five miles, while South Carolina, Tennessee and Louisiana, in this respect the most frugal states in the Union, pay but four and five cents respectively. South Carolina makes falsification in regard to mileage an offense, punishable by fine or imprisonment or both, and by damages to the defrauded county up to ten times the amount of the excess. West Virginia rigidly prohibits the payment of any other allowance or emolument for any purpose whatever. Alabama and Mississippi insist that stationery and other needful supplies shall be furnished under contract, which shall be given to the lowest responsible bidder. South Carolina and Tennessee make a formal allowance of five dollars to each member in lieu of all stationery and postage, the latter state specifically prescribing in the constitution that no stationery or supplies whatever shall be furnished to the members *gratis*. Louisiana forbids any member directly or indirectly "to ask, demand, receive, or consent to receive, for his own use or benefit, or for the use or benefit of another, any free pass, free transportation, franking privilege, or discrimination in passenger, telegraph or telephone rates;" breaking this law renders the member liable to divers penalties in addition to the loss of his seat.<sup>2</sup>

<sup>1</sup> In Virginia, \$360, *i. e.*, "\$28 per week until their respective salaries are exhausted." Mississippi pays a salary at the regular session, but day wages at the regularly recurring "special" session.

<sup>2</sup> Compensation of legislators:—

Virginia, for the session . . . . .	\$360 00	Mileage, 10c.
Mississippi " . . . . .	400 00	" 10c.
West Virginia, per diem . . . . .	4 00	" 10c.

## IV.

*Who are the legislators?*

In their lists of qualifications and disqualifications the constitutions furnish some hints for the answering of this question. Only three of the states allow aliens to become their lawmakers; Louisiana and Arkansas, although permitting men to vote after merely declaring their intention to become citizens, insist upon their having completed their naturalization before they are eligible to a seat in the legislature. As to residence, three of the states content themselves with the same qualifications for members as for their electors. All the others require a special residence within the state varying from two to five years,<sup>1</sup> and a residence within the district or county of from one to two years. It is noteworthy that the prevalent term of residences is considerably longer here than in other sections, and that the local residence especially is made longest in the most recent constitutions.<sup>2</sup> Georgia and Texas have a two-year qualification for members of the lower house; in all the others the residence qualification is the same for senators and for representatives. No state requires any special age qualification for members of the lower house, but all except Virginia and Florida insist upon an added weight of years in their senators; in seven states twenty-five is stipulated; Texas requires twenty-six, Alabama twenty-seven and Tennessee thirty.

North Carolina, per diem . . . . .	4 00	Mileage, 10c.
South Carolina, " . . . . .	4 00	" 5c.
Georgia, " . . . . .	4 00	" 10c.
Florida, " . . . . .	6 00	" 10c.
Alabama, " . . . . .	4 00	" 10c.
Mississippi. " At the special session	5 00	" 10c.
Louisiana, " . . . . .	5 00	" 5c.
Arkansas, " . . . . .	6 00	" 10c.
Texas, " . . . . .	5 00	" 20c.
Tennessee, " . . . . .	4 00	" 4c.

<sup>1</sup> West Virginia, 5; North Carolina, 2; Georgia, 4; Alabama, 3; Mississippi, 4; Louisiana, 5; Arkansas, 2; Texas, 5, and Tennessee, 5.

<sup>2</sup> Mississippi and Louisiana.

As to disqualifications, there are the ordinary exclusions from eligibility of persons holding other offices of honor or profit under the state or national government; occasionally this is qualified by excepting such offices as may be filled by election by the people. Persons convicted of infamous crime are everywhere excluded; bribery, corruption at the polls and the embezzlement of public funds are often given special prominence as grounds for exclusion. Eight of the states expressly disqualify a legislator who shall remove from his district, city or town during his term of office, Louisiana even adding, "any declaration of intention to retain domicile notwithstanding."<sup>1</sup> On the ground that "ministers of the gospel are, by their profession, dedicated to God and the care of souls and ought not to be diverted from the great duties of their functions," Tennessee disqualifies all ministers of the gospel and priests of any denomination.<sup>2</sup> Three states demand some degree of orthodoxy in their legislators.<sup>3</sup> Six explicitly exclude all duelists and those who in any way have abetted dueling. In the South Carolina oath of office the legislator is required to swear not only that he has not in any way been connected with a duel since 1881, but also that he will not participate in nor abet any duel during his term of office.

Many attempts are made to exclude corrupt influences. West Virginia disqualifies any person who is a salaried officer of any railway company, or who is a sheriff, or constable, or clerk of a county court, as well as all persons directly or indirectly interested in any government contract. Louisiana, also, adopts this last disqualification. Mississippi makes the forfeiture of his seat the penalty for a mem-

<sup>1</sup> Mississippi forbids his removing from the county or from the "floatorial" district from which he was elected.

<sup>2</sup> Tennessee devotes a separate article in her constitution to "Disqualifications" (Art. IX). The three sections make an incongruous list; they exclude: (1) Ministers of the gospel. (2) All persons who deny the being of God, or a future state of rewards and punishments. (3) Duelists and their abettors.

<sup>3</sup> North Carolina excludes "all who deny the being of Almighty God." Mississippi excludes all "who deny the existence of a Supreme Being."

ber's being counsel in any measure pending before either house. Tennessee disqualifies a person, guilty of bribery, from holding office for six years, but Alabama makes a member, expelled for corruption, forever ineligible to either house, and explicitly includes under bribery the practices which ordinarily go by the name of "log-rolling." Mississippi inserts in her legislators' oath of office the following unique pledges: "I solemnly swear . . . that I will, as soon as practicable hereafter, read (or have read to me) the constitution of this state, and will endeavor to note and, as a legislator, to execute all the requirements therein imposed on the legislature; and I will not vote for any measure or person because of a promise of any other member of this legislature to vote for any measure or person, or as a means of influencing him or them so to do. So help me God."<sup>1</sup> It would be interesting to know what proportion of the legislators in Mississippi or in any other state have ever read through its constitution, or have strictly adhered to such a cast-iron pledge against log-rolling.

But the constitution's list of qualifications and disqualifications is far from telling us of what manner of men the legislatures are as a matter of fact composed. For this,—the more difficult, as it is the more interesting and the more important question—the data are very inadequate. In the first place, not one of the Southern states publishes an elaborate manual like those of the North Central states, indeed, only three<sup>2</sup> make official publication of any data in regard to their legislators except their names, addresses, and sometimes a summary of the election returns; and in but two<sup>3</sup> others are there available privately printed legislative directories, and these, instead of being pretentious compilations of biographical sketches, are mere lists of names, with the addition of the members' party affiliations and, perhaps, their occupa-

<sup>1</sup> Constitution of 1890, Sec. 40.

<sup>2</sup> Arkansas, Mississippi and Louisiana.

<sup>3</sup> South Carolina and Tennessee.



tions. Moreover, the state records in the south are far less detailed than in other sections, so that upon many points no data are obtainable.<sup>1</sup>

The age of Southern legislators seems to differ in no marked degree from that in other sections. The average in most of the chambers is between forty and forty-five. By a strange coincidence, both in Louisiana and in Arkansas, the senators average a trifle younger than the representatives.

In marked contrast with those of the North Central states the southern legislators are drawn from natives of the state which they serve. Except in the Arkansas senate the proportion of natives is in all cases a decided majority, though it falls lower here than in most of the North Atlantic states. Although large numbers have come from outside the state, the figures bear striking evidence to the fact that interstate migration has been along parallels of latitude. Of the 344 members of the legislatures in these three states, only thirteen were born north of Mason and Dixon's line, while but two out of the total number were foreign-born.

In the matter of occupation, the most notable point is the grip which the lawyers have upon legislative office. In all four of the senates they are in a decided majority, which in Arkansas rises to the unprecedented height of 75 per cent. In the lower house they keep their numbers well, as compared with lawyers in other sections, although outnumbered, except in Arkansas, by the group of farmers and planters. Members from mercantile life are rare, while of men devoted exclusively to manufacturing not one is to be found in the legislatures of South Carolina, Mississippi and Arkansas; in Louisiana there are but three in the senate and one in the house. In choosing her members Arkansas makes unusually

<sup>1</sup>In explaining the disappointing scantiness of data from some of these states, in justice to himself the writer must add that it is not due to his failure to make careful inquiry. From the majority of the secretaries he has received every courtesy, but four secretaries have entirely ignored repeated letters of inquiry. Apparently they decline to recognize that the secretary's office has any obligation to serve the public.

## PERSONNEL OF STATE LEGISLATURES.

STATE.	CHAMBER.	Number of Mem- bers.	Average Age.	PERCENTAGES BASED ON TOTAL NUMBER REPORTED.												
				BIRTH-PLACE.				OCCUPATION.				POLITICS.				
				Own State.	Neigh- boring States.	Other United States.	Foreign.	Farmers and Planters.	Law- yers.	Merchan- tile.	Manufac- turing.	Previous Leg- islative Ex- perience.	Demo- crat.	Republi- can.	Minority Parties.	
Louisiana .....	Senate .....	36	41.6	66.7	13.9	19.4	0.0	22.2	55.5	5.6	8.3	30.6	83.3	11.1	5.6	
	House of Representatives...	98	42.1	64.3	10.2	24.5	1.0	37.7	18.3	18.3	1.0	23.5	72.5	9.2	18.3	
Arkansas .....	Senate .....	32	40.1	43.8	31.2	25.0	0.0	16.7	75.0	0.0	0.0	0.50	100.0	0.0	0.0	
	House of Representatives...	100	40.3	52.5	24.2	22.2	1.0	33.0	42.0	5.0	0.0	0.50	98.0	2.0	0.0	
Mississippi <sup>1</sup> .....	Senate .....	45	44.9	75.6	15.5	8.8	0.0	24.4	53.3	2.2	0.0	.....	100.0	0.0	0.0	
	House of Representatives...	133	42.2	79.8	6.7	13.4	0.0	47.7	28.4	6.2	0.0	.....	98.4	1.6	0.0	
South Carolina...	Senate .....	40	.....	.....	.....	.....	.....	32.5	52.5	5.0	0.0	.....	.....	.....	.....	
	House of Representatives...	124	.....	.....	.....	.....	.....	44.4	37.9	6.4	0.0	.....	.....	.....	.....	

<sup>1</sup> These statistics relate to the Legislature in office 1900-1903. The others concern Legislatures in office in 1899.

large demands upon the teaching profession, having two teachers in her senate, and nine in her house. Mississippi has five in her house.

Legislative experience is apparently less prized here than in the North Atlantic states, or else the Southern members are less expert in caring for their fences. The Tennessee legislature contains more seasoned legislators than any of the others from which data are available. Florida presents the surprising contrast of a senate more than two-thirds of whose members had seen previous service, and a house all of whose members were new men.<sup>1</sup> The estimate from Arkansas and Alabama, "about one-half in each house," is probably somewhat exaggerated as regards the lower chamber.

The present stage of the agitation in regard to the disfranchisement of the negroes in the South lends interest to the question: How great influence do the negroes still retain in the legislatures? The secretaries of four of the states utterly ignored the question, "How many negro members were there in the legislature of 1899?" while from a fifth state came the reply: "The public records do not state color." Of course the fact whether negroes were or were not members of that legislature could not fail to be known in the secretary's office, but there was no eagerness to furnish information on this point. In the seven other states, there was no negro member in her branch of any one of the legislatures with the exception of the Louisiana house, in which there were three; in the newly elected legislature, however, there are none. In Florida there has been no negro in the legislature since 1887.

<sup>1</sup> Tennessee senate, 60.6 per cent; house, 35.3 per cent. Florida senate, 68.7 per cent.

## V.

*To what extent does each state's system of representation make the political complexion of the legislature vary from that of the body of the voters?*

The method of approaching this problem which has been tried in the other states is to compare the percentage of representation which each party secured in the senate and in the house with its percentage of the aggregate vote cast for

*Party Votes Compared with Party Representation.*

STATE.	PARTY.	Percentage of Vote for Governor	Party Representation in Senate.	Party Representation in House.
West Virginia .	Democrat <sup>1</sup> . . . . .	46.8	24.3	52.1
	Republican . . . . .	52.6	57.7	47.9
	Prohibition . . . . .	0.5	0.0	0.0
Florida . . . . .	Democrat . . . . .	83.86	100.0	100.0
	Republican . . . . .	16.14	0.0	0.0
Alabama . . . . .	Democrat . . . . .	67.1	84.8	88.0
	Populist . . . . .	32.9	12.1	10.0
	Republican . . . . .	0.0	3.0	2.0
Louisiana . . . . .	Democrat . . . . .	56.3	83.3	72.5
	Republican . . . . .	43.5 <sup>2</sup>	11.1	9.2
	Minority . . . . .	.1	5.6	18.3
Arkansas . . . . .	Democrat . . . . .	68.4	100.0	98.0
	Republican . . . . .	24.6	0.0	2.0
	Populist . . . . .	7.5	0.0	0.0
	Prohibition . . . . .	0.6	0.0	0.0
Texas . . . . .	Democrat . . . . .	71.2	96.8	94.5
	Populist . . . . .	28.1	3.2	4.7
	Prohibition . . . . .	0.6	0.0	0.0
	Socialist Labor . . . . .	0.1	0.0	0.0
Tennessee . . . . .	Democrat . . . . .	57.9	84.8	77.8
	Republican . . . . .	39.8	15.2	22.2
	Prohibition . . . . .	1.3	0.0	0.0
	Socialist . . . . .	0.9	0.0	0.0

<sup>1</sup> Election of 1896.

<sup>2</sup> Republican—Populist Fusion.

governor in the same election at which the legislature was chosen. At best, the conclusions to be drawn from such a comparison must be subject to many qualifications; in the Southern states this method is peculiarly disappointing, because of the inadequate data. The printed returns generally take no account of the candidates' party affiliations, and in several instances no further information has been obtainable. Nevertheless, the accompanying table presents some points of interest.

West Virginia alone of all the states makes a more direct comparison possible by publishing the aggregate vote cast by each party for candidates for the legislature.<sup>1</sup>

## VI.

### *To what extent is the representative system elastic?*

The census of the present year is likely to reveal a greatly accelerated rate of increase in the population of the Southern states. In the past, however, growth here has been more even and less rapid than elsewhere, a fact which is reflected in the conservative methods which have been adopted for bringing about the readjustments necessary to make representation respond to changed conditions in the distribution of population. As in the North Central states an evident conviction that there is a low limit upon the size of a legislative body, if it is to retain its efficiency, has prevented the adoption of the simple method of granting additional members to rapidly growing communities, while securing their old representation to the others. Limits have therefore been fixed, and in most instances the maxima have already been

<sup>1</sup> Of the average vote for senators, 50.8 per cent were cast for Republican candidates, and 48.7 for Democrats, while of the senators actually elected at that time, the Democrats secured 53.8 per cent, and the Republicans 46.2. The vote cast for delegates was extremely close, and is given in contradictory form on the same page in the "Manual." As summarized it stood: Republican, 94,982; Democrat, 94,186; Populist, 499. The secretary reports that the Republicans had thirty-four delegates, and the Democrats thirty-seven, but that the "house peremptorily threw out three members."

reached.<sup>1</sup> The Mississippi constitution makes no provision for the increase of membership, but does provide for a reduction of numbers, if it be made uniformly in the three county groups into which the state is divided. In representation, however, the movement rarely is turned backward; Massachusetts made heroic reductions in the limits which were set in 1857, but this action has few parallels.

The South is not the region of great cities, with a phenomenal rate of growth. In 1890 New Orleans was its only city of first rank, and in the twelve states there was no other approaching 100,000. The necessity, therefore, of putting sharp restrictions upon the influence of urban populations in the legislature has not yet been felt here in any degree. The Louisiana constitution evidences no intention of keeping New Orleans from the full representation to which her population entitles her; each ward, like each parish in the rest of the state, is guaranteed at least one member, but, aside from this, both senators and representatives seem to be allotted according to population.<sup>2</sup>

The problem being, then, to adjust representation to changes in distribution of population, the chief reliance naturally is placed upon periodic reapportionments of the pre-determined number of members among the several counties or districts. In no state is more frequent change than once in ten years demanded by the constitutions. With the exception of Florida, Mississippi and Tennessee, all apparently make use of the federal census returns, although South Carolina provides that the "enumeration of the United States census *may* be accepted by the General Assembly." The Alabama constitution orders that the apportionment shall be made by the legislature "from time to time," but

<sup>1</sup> The exceptions are the Texas house and the Louisiana senate and house. In the latter state, however, each house is but two below the maximum in the first legislature under the new constitution.

<sup>2</sup> Under the last apportionment the proportionality is remarkably close. The city contained 21.6 per cent of the population of the state; it elected 25.6 per cent of the senate, and 21.9 per cent of the house.

the implication from the context is that it is to take place after each federal census. Georgia and Mississippi make the reapportionment discretionary with the legislature; in all the other states it is obligatory.

Strict proportionality to population is checked in nearly half of the chambers by the insistence that each county shall be guaranteed at least one member;<sup>1</sup> in two by the condition that no county shall be divided in forming senatorial districts;<sup>2</sup> and in three by the fixing of a maximum county representation;<sup>3</sup> strict adherence to single-member districts also stands in the way, where any regard is paid to county lines. The only state to make use of the diminishing ratio is North Carolina, and here it has no extended development.<sup>4</sup> Georgia introduces an unique device in providing that at each apportionment there shall be assigned three representatives each to the six counties having the largest population; two each to the twenty-six next in rank, and one each to the one hundred and five remaining counties. Mississippi's election of "floaters" resembles Indiana's election of a member at large from several contiguous counties, and Texas has a similar device. For accomplishing this same object, minimizing the inequalities arising from the use of the single-member district, Tennessee's constitution introduces an interesting though but little practical requirement, that "in apportioning the senators

<sup>1</sup> North Carolina, house; South Carolina, senate and house; Florida, house; Alabama, house; Mississippi, house; Louisiana, house; Arkansas, house.

<sup>2</sup> Alabama, senate; North Carolina, senate, unless the county is entitled to two or more.

<sup>3</sup> South Carolina, one senator to each county; Texas, not more than one senator to any one county; Florida, not more than three representatives to one county. This limitation is of not a little force, for while one county has less than 900 inhabitants, and several fall far short of 2,000, three at least exceed 20,000; yet only one county is accorded three representatives, so that proportionality to population is not closely approximated.

<sup>4</sup> The ratio is obtained by dividing the state's population minus the population of the counties containing less than 1-120th of it by 120 minus the number (one apiece) assigned to such counties. "To each county containing the said ratio, and not twice the said ratio, there shall be assigned one representative; to each county containing two but not three times the said ratio there shall be assigned two representatives, and so on progressively." Art. II, Sec. 6.

among the different counties, the fraction that may be lost by any county or counties in the apportionment of members of the house of representatives shall be made up to such county or counties in the senate as near as may be practicable."<sup>1</sup>

Interest in representation in Southern legislatures at present does not centre in the selection of the communities or units which serve as the basis for the apportionment of legislators, nor in the election methods by which they are chosen, for in both of these regards these states present a remarkable uniformity of practice, which differs in no especially instructive particulars from what is to be found elsewhere. The questions of vital interest are : who are the representatives? and who take part in their choice? The significant fact is that the negroes are no longer admitted to the legislatures, and that they are being shut out from the polls. It is, of course, the states in which the black vote might prove a menace that have set the pace in this movement.<sup>2</sup> And yet it should be borne in mind that what, in many of these states, has brought public opinion among the whites to the support of these new suffrage laws is not the desire to put an end to negro dominance, for that was overthrown a quarter of a century ago. It is rather the struggle of the old ruling class, upon whom the burdens and the responsibilities of government rest, to safeguard the power which they regained long ago, and to make possible pure elections and the normal competition of respectable political parties.<sup>3</sup>

<sup>1</sup> Art. II, Sec. 6, constitution of Tennessee.

<sup>2</sup> According to the census of 1890, the percentage of colored males of voting age in each of the Southern states was as follows:

Alabama . . . . .	40.2	North Carolina . . . . .	31.9
Arkansas . . . . .	26.9	South Carolina . . . . .	56.4
Florida . . . . .	39.6	Tennessee . . . . .	22.9
Georgia . . . . .	44.9	Texas . . . . .	19.0
Louisiana . . . . .	47.8	Virginia . . . . .	34.5
Mississippi . . . . .	55.5	West Virginia . . . . .	5.1

<sup>3</sup> Ex-Secretary Hilary A. Herbert laid stress upon these points, in an address at the recent Montgomery conference in regard to the race problem. He insisted that no changes merely as to suffrage that could be made in state or federal constitution could of themselves meet the demand of the hour, but that what is needed most of all is better and more harmonious relations between the races.



That the weapons which are being used in this struggle are in open conflict with the letter if not with the spirit of both the fourteenth and fifteenth amendments to the federal constitution, is not to be denied. The question whether the constitutional penalties can and should be imposed and enforced, raises difficult problems in constitutional law, and in political ethics as well.<sup>1</sup> The more practical question, whether the new suffrage laws will secure the objects desired by their more public-spirited supporters, is also open to doubt ; for, if race be the real ground of antagonism, the educational and property qualifications are not unlikely to prove a failing resource, since they incite the negroes to increased effort which may soon enable them to surmount the barrier. If these qualifications are combined with the undemocratic test of heredity, the danger is that the result will be, not the healthy rivalry of two strong and self-respecting parties, but the unshaken rule of an oligarchy, secured in power and in immunity from the penalties of self-centred rule by the artificial defences of law. But these are lines of speculation which stretch far beyond the scope of the present discussion. As regards representation in Southern legislatures the significant facts are that, although in a number of states the negroes are in a decided majority, they no longer secure place among the representatives, and by process of law, to which they seem to be giving tacit consent, as a race they are being deprived of the suffrage, a privilege which became theirs not by birth, nor by their own achievement, but which was thrust upon them by their would-be friends.

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<sup>1</sup> It is worth noting that while the platform of the Republican party in the present campaign declares that: "Devices of state governments, whether by statutory or constitutional enactment to avoid the purpose of this amendment (the Fifteenth) are revolutionary, and should be condemned," it does not venture to suggest that the penalty, explicitly provided in the constitution, can or should be imposed. The constitutionality and the expediency of the educational tests in the southern registration acts have been discussed by the writer in the *Political Science Quarterly* of September, 1898.

## BOOK DEPARTMENT.

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### NOTES.

"LES IDÉES EGALITAIRES"<sup>1</sup> is a discussion of the origin of the idea or ideas of political and social equality. M. Bouglé finds one influential source of these ideas in the growth of large states. By large states he understands not merely states with immense territory, but with a great density of population, and above all, with a great mobility and interchange of commerce and ideas between different parts of the population. In the large social group the individual sees a constantly changing mass of humanity, a fact which gives rise to the formation of broad, universal, and even humanitarian ideas. Again, the lack of familiarity with many of his fellow-citizens comes to inspire a general respect for strangers, which is finally extended to all, whether they are of the same nation as himself or not. Meeting or seeing so many different people must also necessarily diminish the respect for privileged persons in the course of time, thinks the author. This does not necessarily involve the establishment of a democratic government by any means, since the idea of equality prevails among the governed only with respect to each other, not with reference to their rulers. The author traces the growth of ideas of equality from their earliest form, viz., equality between those of the same blood, to the equality of those living in the same territory, and finally, the legal equality of all, irrespective of kin or territory. The reasoning would have been much more forcible had the author given a more careful analysis of the influence of commerce and transportation upon equality. As a consequence of this fault the work seems to exaggerate the influence of the size of political units upon political ideas. When the author comes to explain those large states in which the idea of equality has not made much headway and those small states in which equality does prevail, he is obliged to rely upon the density of the population, and where this explanation fails he falls back upon mobility of the people and the influence of the city upon politics. These latter, then, are the really important factors of the problem, and a more careful study along these lines would add considerable value to the work.

<sup>1</sup> By C. BOUGLÉ. Pp. 249. Price, 3.75 fr. Paris: F. Alcan, 1899.

IN "JAVA ET SES HABITANTS,"<sup>1</sup> M. Chailley-Bert renews his studies of European colonization. The author has already published "*Les Anglais à Hong-Kong*," "*Les Anglais en Birmanie*," and has in preparation "*La Politique et l'administration anglaise aux Indes*," "*La Politique et l'administration hollandaise dans l'Insulinde*," and "*La Politique et l'administration coloniales de l'Ancien Régime*." His object is to offer to French readers a complete description of all the more important dependencies controlled by the great colonial powers. The present work gives a valuable and interesting description of the Dutch colony of Java. The author discusses the character of the natives, of the colonists, the general organization of the administration, the system of education and the weaknesses of the Dutch colonial government. He summarizes the reforms desired as follows:

1. Less power to be given to the regents.
2. Education of the native aristocracy.
3. Checks upon the possible tyranny of the aristocracy.
4. Greater harmony between the European officials and the natives.
5. Better education of the European officials.
6. The revival of a system of protectorate and administrative decentralization.

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EVOLUTION MEANS change, and that may imply decay as well as progress. An interesting study of retrogressive evolution in plants, animals and social institutions has just appeared in an English translation by Mrs. Chalmers Mitchell of a French work, "*Evolution by Atrophy in Biology and Sociology*."<sup>2</sup>

Without discussing the mooted question of the validity of biological analogies in sociology, the authors, three professors in Brussels, working independently in their respective fields, believe that there are common characters as well as distinctive ones in the comparison of organs and organisms with social institutions and human societies. A comparison of these independent studies of atrophied parts in plant and animal organisms and in social life presents strikingly similar conclusions. Such a study adds many interesting facts to our store of knowledge and has not been the work in either field (biology or sociology) of a workman whose knowledge of one is derived almost

<sup>1</sup> Pp. xviii, 375. Price, 4 fr. Paris: Armand Colin et Cie., 1900.

<sup>2</sup> *L'Évolution Régressive en Biologie et en Sociologie*. By JEAN DEMOOR, JEAN MASSART and EMILE VANDERVELDE. (Bibliothèque Scientifique Internationale LXXXV). Pp. 324. Price, 6 fr. Paris: Félix Alcan, 1897.

*Evolution by Atrophy in Biology and Sociology*. International Scientific Series. Pp. 332. Price, \$1.50. New York: D. Appleton & Co., 1899.

exclusively from surface analogies in the other. Such work commends itself to good judgment more than most of the results of so-called biological sociology.

The chief conclusions are that retrogression is a universal and necessary complement to progress, that it follows no definite path, and most certainly does not retrace the steps of progressive evolution, and that, especially in the department of social life, its main cause is artificial selection. Other causes of retrogression are found in inutility of function, insufficiency of nutriment or resource, and, in biology only, lack of space.

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NAPOLEON'S WAR MAXIMS<sup>1</sup> is a collection of the most noted military principles which have been credited to Napoleon. The maxims are discussed very briefly by the editor, who cites numerous illustrations of their application in actual warfare. The work also contains a compilation of Napoleon's social and political thoughts, which are far below the military maxims in their general value. Among the most interesting of the political maxims are the following:

"There should be no half responsibility of the administration. It will only cause peculation and the non-performance of the laws."

"Anarchy is the stepping-stone to absolute power."

"A state without an aristocracy is a vessel without a rudder; a balloon in the air."

"Commerce unites men and makes them; therefore it is fatal to despotic power."

"Finances founded on good agricultural prospects will never be destroyed."

"Governments with balanced force are of no value but in times of peace."

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"JOHN RUSKIN: SOCIAL REFORMER," by J. A. Hobson,<sup>2</sup> is an attempt to arrange Ruskin's social philosophy in a logical and orderly discourse, something of which Ruskin himself had no conception whatever. The claim is made that Ruskin is primarily and fundamentally, in all his work as art-critic and man of letters, a political economist, and that he has succeeded in placing political economy upon a sounder scientific and ethical foundation than it had hitherto possessed. Such is the novel and interesting task that the author sets himself. Though an economist of some merit himself and an ardent

<sup>1</sup> L. E. HENRY, B. A., M. R. C. P. Pp. xxiv, 187. Price, 6 s. London: Gale & Polden, Ltd., 1899.

<sup>2</sup> Pp. ix, 357. Price, \$1.50. Boston: Dana, Estes & Co., 1898.

admirer of Ruskin, it is safe to predict that the general verdict will be that Mr. Hobson has failed of his purpose, largely through no fault of his own, but because of the impossibility of his task. Those who love to read Ruskin for his brilliancy of style and vigorous rhetoric and for the general inspiration that comes from a most original and suggestive thinker, who was too erratic and misinformed to be a system maker, will not relish Mr. Hobson's dry pages, while economists will be more amused than convinced by his attempts to fill out the lacunæ in Ruskin's economic reasoning. The biographical chapter is much less interesting and instructive than an equal portion of Collingwood's "Life and Work of John Ruskin." One might also criticise, in the remaining chapters, the failure to interpret Ruskin's peculiar personality in terms of his surroundings, and of the influence of his time.<sup>1</sup>

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THE LAW OF ELECTRIC WIRES IN STREETS AND HIGHWAYS<sup>2</sup> contains, in chapters III and IV, an admirable summary of the American law governing the regulation by municipalities of electric light, motor, telegraph and telephone wires. The extended discussion and litigation over franchises in recent years having attracted considerable attention, the author devotes a special chapter to judicial decisions on the grant of franchises for these important purposes.

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A REVISED EDITION of Judge Landon's *Constitutional History of the United States*<sup>3</sup> has recently appeared. The original edition of this work published more than a decade since, has been constantly gaining in public favor, owing partly to the fact that it is the only constitutional history of the United States in one volume, and to its clear and succinct presentation of the leading facts in the development of our complex constitutional system. In the new edition the work has been rewritten in part and considerably enlarged. The first two chapters of the original edition, dealing with the colonial and revolutionary periods, have been expanded into four, and two chapters instead of one are devoted to the "Critical Period" of the Confederation and Constitutional Convention. Although the body of the work, dealing with our history under the Constitution, has undergone less

<sup>1</sup> Contributed by Professor S. M. Lindsay.

<sup>2</sup> By EDWARD Q. KEASBEY. 2d edition. Price, \$4.00. Chicago: Callaghan & Company, 1900.

<sup>3</sup> *The Constitutional History and Government of the United States*. Revised edition. By JUDSON S. LANDON, LL. D. Pp. vii, 447. Price, \$3.00. Boston and New York: Houghton, Mifflin & Co., 1900.

change we note here and there an illustrative footnote or a supplementary paragraph, as is notably the case in connection with the history of the events growing out of the recent Spanish war. An additional chapter has been added to the admirable treatment of the judicial system contained in the original edition. In fact, the most valuable feature of the work to the general reader is the excellent presentation of the position and influence of the Federal judiciary in our system. This position is set forth in a scholarly and discriminating review of the great constitutional decisions of the Supreme Court from the earliest cases down to the most recent, with special emphasis on those relating to corporate combinations and territorial expansion. In treating the constitutional issues arising from our most recent acquisitions, the author reaches the conclusion that the Federal Government may exercise in our new possessions "the combined powers of a general and of a state government," but "if the people of these islands become subject to the sovereignty of the United States, it will not be the unlimited sovereignty as exercised in its foreign relations, for the people subject to its sovereignty cannot be foreign to it, but they will be subject to its limited sovereignty, as the constitution confers it over the people under its jurisdiction." The two concluding chapters of the original edition have been recast in the new. They contain a philosophic discussion of some of the reasons for the stability and success of our dual system of government, and point out some of the dangers of the future and their remedies. All of the changes noted enhance the value of an already useful work.

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LA RÉNOVATION DE L'ASIE<sup>1</sup> is an interesting discussion of the more recent phases of the Asiatic question, with special reference to the development of Siberia by Russia, the progress of Western ideas and reforms in Japan, and the questions arising from the reform movement in China. The author is of the opinion that progress must move very slowly in the latter country if it is desired to avoid the destruction of the empire. He discusses the weakness of the Pekin government, the reform movement under the leadership of Kang-You-Wei, the influence of the Dowager Empress, the palace revolution of 1898, and the possibilities of an eventual partition of China. It is interesting to note that the author classes Germany, Russia and France together as hostile to the open-door policy, Great Britain, the United States and Japan as partisans of that policy. The author concludes in favor of the preservation of the existing government rather

<sup>1</sup> By PIERRE LEROY-BEAULIEU. Pp. xxvii, 482. Price, 4 fr. Paris: Armand Colin et Cie., 1900.

than the establishment of a government which would "give to a few Europeans power over hundreds of millions of Chinese."

A NEW EDITION of Plehn's *Introduction to Public Finance*<sup>1</sup> testifies to the popularity of that work as a college text. Except for the addition of an important chapter on the "Financial Administration of War; Illustrated by the Experience of the United States in the War with Spain," the new edition is so like a reprint of the old that reference to it as "revised" as well as "enlarged" seems scarcely justified. Adams' "Finance" is still spoken of as "announced," and the account of the tariff policy of the United States still concludes with a description of the "recent reforms" of the Wilson act and without any reference to subsequent legislation. These minor points, however, detract but little from the value of the work, and the full account of the financial operations connected with our late war in the chapter referred to, brings it down to date in all essential respects. The chief merits of this as of the earlier edition are its interesting presentations of the facts connected with the financial policies of the United States, the United Kingdom, Germany and France and its temperate discussion of principles. In using it no teacher will be under the necessity of antagonizing, and therefore to some extent discrediting, the author as is too frequently the case with text-books on political economy.

WORLD POLITICS AS INFLUENCED BY THE ORIENTAL SITUATION<sup>2</sup> makes its appearance at a most opportune moment. The author considers the Chinese question to be the centre of interest in international politics; he therefore groups all his material around this central point. In Part I, the growth of the idea of national imperialism is sketched and Machiavelli's place as the philosopher of nationalism is discussed. An interesting though brief comparison of the ancient and modern systems of world politics, the world-embracing empire and the "international equilibrium" is also noteworthy. In this first part the author also calls attention to the rapidly increasing importance of modern transportation systems in determining the political solidarity of colonial empires. After some discussion of the reasons for the success or failure of the different colonizing powers of Europe, Part I concludes with a consideration of the connection between colonization and imperialism, and the consequences of the imperialistic policy. Briefly stated, the author finds the consequences to be, the increase of mutual suspicions among the nations, the growth of an

<sup>1</sup> By CARL C. PLEHN. Pp. vi, 384. New York: The Macmillan Company, 1900.

<sup>2</sup> By PAUL S. REINSCH, Assistant Professor of Political Science, University of Wisconsin. Pp. xviii, 362. Price, \$1.25. New York: The Macmillan Company, 1900.

extreme national feeling which antagonizes individualism, a reaction against the political and social doctrines of liberalism, the increase of one-man power and an accompanying development of aristocratic ideas in the philosophy of the time.

In Part II the author attacks the real subject of his work, "The Opening of China." He states, as the general conclusion of those familiar with Chinese affairs, that "the coal and mineral wealth of China, taken in connection with the vast and highly trained, frugal and capable population, will, during the coming century, make China the industrial centre of the world, and the Pacific the chief theatre of commerce." After a more or less detailed study of the "concessions" and "spheres" acquired by foreign countries in China, Part II concludes with a summary of the existing internal conditions and a prophecy as to the impending industrial revolution in China. Parts III and IV contain an interesting and suggestive discussion of the influence of the Chinese situation upon the policy of Russia and other European countries. Professor Reinsch traces three stages of Russian expansion having for their objective points Constantinople, Afghanistan and China; the Russian system of expansion, furthermore, differs from the English in that England merely superimposes her civilization upon the native races while Russia assimilates them bodily. The author believes that it will be impossible to impose Western civilization upon the Chinese because of their great powers of resistance, but he thinks that they will gladly adopt practical Western methods unless native hostility is aroused by forcible interference with time-honored customs and traditions. Unfortunately, since the work was written, this possibility has been fully realized and the national hatred for foreigners has blazed up in such a way as to prevent the slow, peaceful spread of Western ideas which otherwise might have occurred. Part V sketches very briefly the position of the United States in the East. The author believes that we should refrain from any further territorial acquisitions because of the more profitable opportunity for the development of our resources at home. He concludes with some interesting observations on the increase in the power of the Executive caused by a colonial or imperialistic policy. The general style and arrangement of the work are popular and, in places, a trifle sketchy, but the timeliness of the book atones for much that might otherwise be criticized.

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THE RUSSIAN JOURNAL OF FINANCIAL STATISTICS,<sup>1</sup> the first regular number of which appears in September of the present year, is

<sup>1</sup> Edited by CHARLES GOODLET. Published quarterly by G. Barbet de Vaux, Millionaia 23, St. Petersburg.



intended to supply much needed information upon the financial, administrative and internal economic conditions of Russia for the benefit of English and American readers. Such a publication is assured a hearty welcome from economists and publicists who have felt the lack of reliable data upon Russian conditions. Doubtless the Russians themselves have felt the need of a more adequate representation of their interests among the periodical publications of the day than they have hitherto possessed; the specimen numbers which have been distributed are semi-official in tone and very creditable in appearance and general composition.

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PROFESSOR BENJAMIN F. SHAMBAUGH<sup>1</sup> has collected the more important newspaper articles and comments upon the Constitutional Conventions of 1844 and 1846 in Iowa, and has attempted to give some description of the proceedings of the conventions from these sources. The result is a very interesting compilation, which will be of great assistance to those engaged in the study of state constitutions. The notes are edited in such a way as to bring out the salient points of the constitution. There are appendices containing valuable data relative to the members of the convention, giving their native states, ages, occupations, and the number of years of residence in Iowa. In the absence of complete records of the convention's proceedings, Professor Shambaugh's compilation will be very useful.

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WITH THE periodical recurrence of socialistic agitation one is ever reminded of the confusion in the average mind in the use of the terms socialist and anarchist. Mr. E. V. Zenker, in his "Anarchism: A Criticism and History of the Anarchist Theory"<sup>2</sup> has given us the first complete statement in the English language of the theories of the leading anarchists. It is a most readable discussion of the social question by one who, while opposed to the theories of the anarchists, nevertheless makes every effort to state their position fairly and sympathetically, because he is interested above all things in interpreting accurately the thoughts and ambitions of the common people. Most of the material relating to Proudhon, including copious extracts from his works should interest a wide range of English readers in a writer of great power, who was little understood outside his own country. The chapter on Stirner is for the most part new ground. The Russian doctrine and Prince Kropotkin are better known. There is

<sup>1</sup> *Fragments of the Debates of the Iowa Constitutional Conventions of 1844 and 1846.* Compiled and edited by Benjamin F. Shambaugh. Published by the State Historical Society of Iowa, 1900.

<sup>2</sup> Pp. xiii, 323. New York: G. P. Putnam's Sons, 1897.

room to quibble somewhat over Zenker's concept of anarchism and over what he says about Spencer and Professor Ferri's classification of Spencer as an anarchist. Spencer and others have been in a certain justifiable sense classified as scientific anarchists. Mr. Zenker does not appear to be familiar with the thought underlying this classification, and he makes no allowance for it in his interesting and valuable book.

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REVIEWS.

*Builders of Nova Scotia.* A Historical Review. By SIR JOHN G. BOURINOT, K. C. M. G. (Transactions of the Royal Society of Canada, 1899.) Pp. 197. Toronto: The Copp-Clark Co., 1900.

In these pages the scholarly chief clerk of the House of Commons offers a popular account of the men and events famous in the formation of the maritime province of Nova Scotia. His historical works, antiquarian learning, long public experience, and services as a writer on the constitutional institutions of Canada, fit him eminently for such a task. The story of the beginnings of civilized life in the Acadian peninsula is briefly but entertainingly told,—the original settlement by French peasants (1604), the foundation of Halifax (1749), the migration from New England (1760), the influx of loyalists (1783), the coming of the Scotch and the Irish. No colony along the Atlantic coast offers so varied a catalogue of racial elements as Nova Scotia. "French Catholics and Huguenots, Puritans and cavaliers of the days of the Stuarts, German Lutherans from the old kingdom of Hanover, Protestants from Montbéliard between the Rhine and the Rhone, Scots from the Highlands, the Hebrides and Lowlands, Scotch-Irish Presbyterians from the north and Catholic Celts from the south of Ireland, Englishmen from the hop-gardens of Kent and meadows of Devon, from all parts of the ancient kingdoms where Celt, Saxon and Norman have blended in the course of centuries—all these have contributed to form the people who have made the Acadian peninsula and the island of Cape Breton such prosperous and influential sections of the Dominion" (p. 61).

Religion has always exercised a notable influence on the Nova Scotians,—hence a series of succinct but accurate retrospects of the chief events in the development of those churches that claim the allegiance of large bodies of citizens—the Roman Catholic, Church of England, Baptist, Methodist, Presbyterian and Lutheran, to rank them according to membership. Dr. Bourinot has been so long identified with the public life of Nova Scotia, being himself from Cape Breton and a historian of the island, that his reminiscences of the statesmen

and political characters of the peninsula are of more than ordinary value. Especially praiseworthy is his account of the Hon. Joseph Howe, orator, poet and popular tribune, the creator of responsible government at Halifax, a man, it seems, who only wanted the broader stage of our own republic to have attained the fame of a Webster or a Calhoun. We shall not all agree with Dr. Bourinot as to the "stern military necessity" (p. 25) of the dispersion of the Acadians. May we not also take exception to the positive assertion (p. 15) about the "treachery" of Le Loutre in the unhappy incident of How's assassination? Parkman himself became convinced that the complicity of Le Loutre could not be proved. Indeed, Richard has shown (Acadia, I, pp. 269-291) that the sources of this accusation are deeply tainted by anonymousness, prejudice, and the unreliability that attaches to the charges of such a traitor as Pichon. Among the rare and useful documents of the appendix is the (1867) Bannatyne Club text of the original Latin charter (with English translation) granted by King James I. to Sir William Alexander in 1621, by which he was made Lord and Baron of Nova Scotia,—a kingly act that gave its permanent name to the province, but failed to establish the feudal vice-royalty of New Scotland that the Scotch Stuart contemplated. It is to be regretted that a bibliography of Nova Scotia and some account of the literature it has produced, and is now producing, were not added to this work; with these improvements it might serve as a reference-manual for the history of a territory whose interest is second to none in the New World.

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*Monopolies and Trusts.* By PROFESSOR R. T. ELY. Pages viii, 278. Price, \$1.25. New York: The Macmillan Company, 1900.

This admirable volume is the first of a new and very promising series of works to be known as the Citizens' Library of Economics, Politics and Sociology, which the Macmillan Company will publish under the editorial supervision of Professor R. T. Ely. It is also a portion of a large work on "The Distribution of Wealth," which the editor is writing.

Chapter I unfolds the author's idea of monopoly as closely akin to its etymological meaning of the single seller. Substantial and controlling unity of action in any line of business is with apparent justice held to be the essential of monopoly. A sufficient percentage of a business must be united in one management to give some control of prices. These prices may not always be raised by a monopoly, since

there may be such economies of combination as to permit of more than competitive profits by reducing prices in order to extend the market. Usually, however, the monopoly keeps prices higher than they would otherwise be. Competition need not be legally or altogether excluded. Monopoly may be more or less complete. Land, although it gives differential gains, is not held to be a monopoly, because its ownership is not concentrated in a few hands.

In his second chapter, on the classification and causes of monopolies, the author holds that monopoly arises when there is a profit in combination, and the classification is evidently presented to show in what cases there is this profit. These cases are almost always those where from the nature of things, there can be but few competitors and where in consequence combination is easier than elsewhere. The following is his classification :

#### A. SOCIAL MONOPOLIES.

##### I. General Welfare Monopolies.

1. Patents.
2. Copyrights.
3. Public Consumption Monopolies.
4. Trade-marks.
5. Fiscal Monopolies.

##### II. Special Privilege Monopolies.

1. Those based on Public Favoritism.
2. Those based on Private Favoritism.

#### B. NATURAL MONOPOLIES.

- I. Those Arising from a Limited Supply of the Raw Material.
- II. Those Arising from Properties Inherent in the Business.
- III. Those Arising from Secrecy.

Professor Ely explains his meaning of the term Social Monopoly, as "a monopoly which arises out of social arrangements and is an expression of the will of society as a whole, through government, or of a section of society strong enough to impose its will on society." A Natural Monopoly, on the other hand, is a monopoly which rests back on natural arrangements as distinguished from social arrangements. The term social monopoly, however, is so new, and its meaning is so liable to misunderstanding without the accompanying explanation, that it is doubtful whether it is the best possible term. The expression natural monopoly, also, is rather elastic. Some confine it to railroads, street railways, lighting and other such monopolies of situation. Professor Ely holds that monopolies arising from secret processes or the use of such raw material as oil or copper, are natural

monopolies, while still others would say the same of the trust. Perhaps no division into natural and social monopolies is needed.

The author's term special privilege monopolies is good, but the two subdivisions would apparently be better expressed by the terms:

(1) The undesigned outgrowth of government policies in the matter of taxation.

(2) The outgrowth of special favors from situation monopolies, *i. e.*, from monopolies needing certain locations limited in area, such as streets, highways, access to railroad terminals, etc.

It seems hardly fair to assume that government or the public ostensibly and avowedly exhibits favoritism, while it is not the favoritism of privately owned industries in general but of certain special types of the same that Professor Ely has in mind.

In the full text he excludes from his classification those cases which Professor Jenks calls monopolies of large capital. However, as partly explained in the "Forum" for last December, monopoly tends to appear when the product is known by the brand of the maker, and when the necessary capital is not only so large but so specialized that it cannot be withdrawn and so will meet competition by a cut-throat war of rates and prices. The knowledge that attempted competition will indeed destroy the profits of those already in the field but will bring no returns to the would-be competitor, tends to prevent the actual development of competition and leaves the established trust of this special type—not all trusts, by any means—in the enjoyment of its monopoly profits. An established connection with markets and employes and all that is meant by good will has also a powerful influence, as Professor Commons has suggested, in scaring off possible competitors.

In Chapter III, Professor Ely clearly develops a law of monopoly prices whose truth must be admitted by all, *viz.*, "The greater the intensity of customary use, the higher the general average of economic well-being, and the more readily wealth is generally expended the higher the monopoly charge which will yield the largest net returns."

In discussing the taxation of monopolies, he develops the important point that taxes upon gross receipts are more likely to lead to higher charges or inferior services than taxes upon net revenue. This should be considered by those city and state governments that frequently prefer the tax on gross receipts as less liable to evasion than a tax on net revenue. The difficulties with both forms of taxation will lead more and more, I believe, to putting a tax upon the value of the franchise as indicated by the market value of the securities, as now done by Indiana in respect to the railroads, and in New York and Massachusetts in respect to all franchises.

Professor Ely in this chapter shows how the possibility of using substitutes for a monopoly does not break down the latter, but often leads to the concentration in one management of all the allied groups, as in the case of gas and electric light, surface and elevated railroads, etc. In opposition to the claim of single taxers, that the benefits of reduction in street railway and other similar charges go naturally to the land owner, our author holds that only a portion of the benefits is so absorbed, because the amount of available land supply is increased, and this increase in the supply naturally reduces aggregate land values, just as the increase in the supply of anything reduces its value.

In Chapter IV, on the limits of monopoly and the permanency of competition, good service is done by challenging the claim that most monopolies are due to superior service, and should be left alone as an inevitable phase of evolution. On the other hand, it is clearly shown, as already indicated, that a removal of railroad discriminations and tariff favors would wonderfully weaken most of the trusts. The failure of the leaders of both political parties thus far to grasp this proves their incapacity for true leadership. Professor Ely goes on to say: "It is strange that some conservative economists apparently fail to see that what they concede to the advocates of the superiority of monopolized businesses implies the abandonment of the fundamental position of economics concerning the advantages of competition, and is a virtual surrender to the theory of socialism."

In Chapter V, on the concentration of production and trusts, is given a further valuable discussion of large scale production, and the belief is expressed, based on evidence at hand, that there is no concentration of agricultural area in the hands of farm owners, although there may be concentration of agricultural value.

In the concluding chapter, on evils and remedies, Professor Ely is at his best. To those who would defer applying remedies until fuller knowledge of the evils of the present trust and monopoly situation is obtained, the author replies: "When is that time coming? It is a general truth that we have fullness of knowledge only about dead institutions. But social forces operate continuously, and while we are doing nothing, they are producing their results. To do nothing means simply to let the immense blind social forces now at work operate without interruption and bind us more securely."

On the other hand, to those who would have minute public regulation of trusts, he replies, in very striking language: "We must limit regulation of private business if private business is to be carried on successfully. Some of us can be regulated by all of us, but how everybody is to be regulated indefinitely by everybody cannot well be

explained. The attempted regulation becomes burdensome; there is opposition to it all along the line, and the struggle is attended with political corruption. It is difficult to escape the conclusion that if it has become necessary to appoint a commission to regulate all the great businesses of modern times, the present economic order has become bankrupt."

The real remedies urged are some degree of publicity, as in trusts, and the responsibility of directors for all statements to stockholders, and above all, the destruction of all those special privileges which are connected with railroad discriminations, the cornering of anthracite coal and mineral lands, and the abuses of protection.

In line with all his previous views, and with those which are obtaining increasing acceptance in America and elsewhere, Professor Ely finds the ultimate attainment of these fundamental remedies in government ownership and operation of transportation and municipal monopolies, and public ownership, without necessarily public operation, of mineral and oil fields and in reform of our systems of taxation, both national and local.

On the whole this must be pronounced the best book that has thus far been published upon the trust question, and one that should be studied by all who are writing or thinking upon the issues involved. The lack of an index and a sufficiently full table of contents is to be remedied, we understand, in a later edition.

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*The Economics of Distribution.* By JOHN A. HOBSON. Pp. 361.

Price, \$1.25. New York: The Macmillan Company, 1900.

This book is well worth close study, because of its searching criticism of the current doctrines of price and rent. The first three chapters contain a keen discussion of market price and producers' and consumers' rents. Böhm-Bawerk and the Austrian school of economists had developed a theory of market price, showing that the price is set by the marginal pair of buyers and sellers, each of whom comes out exactly even in the bargain. Hobson now introduces into this marginal bargain an element of "forced" or "specific" gain, depending upon the superior cunning or strength of one of the bargainers. Only in a few of the large, open markets, like those of gold, wheat, and cotton, is there such free competition that neither marginal party has an advantage. In all other markets there is a "spread" between the reserve prices on each side, within which superior strength or skill can force one or the other side down to a minimum gain.

This forced gain is wholly different from differential gain. The latter, also, is unearned, but it results from price, whereas forced gain is one of the determinants of price. Forced gain may occur at any point, either on or above the margin. It is not necessarily the marginal product which determines price. It is the strongest bargainer who, probably, is at some point above the margin. In that case the seller gets both differential gain (if he is the stronger) and a forced gain. The margin itself is measured below this price-determining bargainer, just the same as, according to the current theory, the differential gain is measured above the margin.

This leads to an extension of the law of rent to capital and labor, as well as land. "It is fallacious," says Hobson, "to pick out one factor, as land, and apply the other factors to it in the form of 'doses.'" The fallacy is found in the failure to recognize the interchangeability of these three factors of production, and the failure to recognize the organic nature of their union in production. The author would substitute for the "margin of cultivation of land" a "composite margin of employment of land, capital and labor, at which is paid, not necessarily the minimum rent, interest and wage, but the lowest average combination of the three. Supply price will be composed (under absolutely free competition) of three marginal expenses. Differential expenses of production above the composite limit, whether they be rent, interest or wages, will not enter into the market price of the supply" (p. 159).

In order that he may carry out this identification between land, labor and capital, Mr. Hobson must show that each has the same marks of production and cost. These are three: First, objective productivity, *i. e.*, the productive creation of material products; second, subjective utility of these products; third, subjective expenditure, *i. e.*, the painful effort of the laborer, the abstinence-sacrifice of the marginal capitalist, or the exertion in bringing new land into market. Subjective expenditure, thus conceived, sets limits to the supply of each factor, and thereby requires a minimum or marginal compensation in return, which enters into the price of the joint product. The minimum subsistence of labor is analogous to the depreciation fund which restores capital, but in a progressive community, where labor and capital must be induced to increase in quantity, there is needed something above the minimum, namely, interest and true wages.

Here we may notice that Hobson, in accepting the current definition of land, labor and capital, has fairly succeeded in giving to the law of rent equal weight in each. In doing so he has minimized the law of differential gain and maximized the law of forced gain. The question arises, are these definitions of land, labor and capital really



distinctive? Is not land defined in such a way as to be nothing more nor less than capital? Notice that all arguments advanced regarding the identity of land and capital are taken from agricultural land. Now land, in the *popular* understanding, consists of two factors, *soil* and *situation*. But if we are to have a *scientific* definition it must be based on a scientific distinction. It must cover in the same concept both building sites and agricultural land. But agricultural land is mainly soil. Soil is strictly capital. It conforms to the three marks of production and cost. It produces material objects; these material objects are useful; and it requires personal expenditure in order that itself may be brought into cultivation. These three qualities are identical with those of capital and analogous to those of labor. But situation includes none of them. Situation does not produce material objects; situation is not manufactured nor cultivated (except metaphorically). Situation is a social relation. It is analogous to a patent right or a trade mark. The latter are described by Böhm-Bawerk as differential advantages in buying and selling. The same is true of land. If there is any difference between a patent right and capital, there is a similar difference between land and capital.

A patent right is not productive, and does not cost "subjective expenditure." It merely gives a market advantage to the particular piece of capital which it protects. It is this piece of capital which is productive, and which costs effort to be produced. The same is true of land, and if patents can be separated from capital in scientific thought, so can land be separated from capital; but only on one condition, that it be defined as something different from capital, *i. e.*, situation. If this is done, then agricultural soil should be separated as distinctly from land as an office building. The true *economic land* of a farm is of no more value than if the farm were a barren waste of sand. The *capital* of the farm is not only the buildings, etc., but also the soil which man has produced or discovered upon the site. This view, of course, lessens the relative land-value of farms, but places it on a level with city ground.

With this distinction there is much significance in the theoretical device of taking land as a basis and applying to it successive "doses" of capital and labor. Capital and labor are the productive agents. They are organically related. Hobson is right in saying that the dose is a composite one. Being productive, they create material utilities. They also stand for human effort, pain and sacrifice. As such they have an ethical claim on the product. There is an ethical and social reason for keeping land separate. It does not represent sacrifice. It is a legal claim upon capital and labor enforced by competition, which keeps the latter down to the shares which they can get on the margin.

At the same time, no doubt, capital (including soil) and labor get differential gains, as between themselves, on the margin or elsewhere. But the differences are minor compared with the differential gain of land, and Hobson's criticism on Marshall for calling them "quasi-rents" seems not well taken. Hobson is chargeable in general with confusion between *capital* and *limitations on capital*. He strives to controvert General Walker's assertion that different rates of remuneration on capital are owing, in part, to "disguised rents, disguised profits and commercial goodwill," and in so doing he lapses into a popular concept of interest and profits. He says, "Inasmuch as this 'specific rent' [*i. e.*, 'disguised rent'], appears as interest and cannot conveniently be separated from genuine interest, it is rightly regarded as an element in the specific differences of forms of investment" (p. 176). Again, the exceptional opportunity open to lawyers and bankers for profitable investment "may not unfairly be claimed as a 'rent of capital'" (p. 177). Again, "the power vested in owners of valuable patents, and even in those who, without legal protection, have exclusive control of any market or of the sale of any class of goods, is of a similar economic character, and enables the capital invested in such business to get a specific interest" (p. 179). Protective tariffs, bounties, etc., also give "capital rent."

Now, in all these cases, the differential advantage or monopoly privilege is both legally and commercially separable from the capital invested. This can be brought to a practical test. A business man does not first invest capital and then get a patent upon it, but he first gets his patent and then applies capital and labor to develop it. The patent is the basis, and the productive agents, capital and labor, are the "doses." The number of doses depends upon the height of interest and wages and the extent of the market controlled by the patent. So with all these other social privileges, like franchises, trade-marks and the good will of a business. The separation is clearly made. It is essential to business success, and it conforms to the theory of "dosing."

This brings us to another defect in method. Hobson has no particular place for the entrepreneur. He treats him usually under the head of labor, but latterly brings him in as the main beneficiary of the forced gain (p. 350-1). This omission of the entrepreneur is more remarkable, since Hobson conceives a "composite margin of employment" for land, labor and capital. It would seem that a margin implies something margined. Otherwise we are floating in a limbo of pure geometry. Now the entrepreneur is the centre of business. He is the "bargainer" who sets prices. He is the organizer who employs capital and labor and guarantees against risks. He controls

the patents, franchises, good-will, monopolies and trusts, *i. e.*, the opportunities for investment. These opportunities, it would seem, are the true basis to which the dosing of capital and labor applies. That which is true of them is also true of land. They are the bases of the forced and differential gains enjoyed by the entrepreneurs. By taking the standpoint of the entrepreneur, and noticing his relation to these differential privileges, it is possible to avoid confusion regarding the true nature of capital.

The practical conclusions of the book seem to lose strength with the theoretical analysis. The author apparently advocates almost any kind of taxation and almost any kind of trade-union forcing of wages, holding that higher taxes and higher wages, wherever first laid, will hunt out and rest upon these forced and differential gains. His reasoning here is ingenious, but he seems to be too indifferent to the lack of resisting power of unorganized labor and the obstacles to capital-saving.

Notwithstanding these points of disagreement, which pertain really to matters of emphasis more than to logic, I am quick to acknowledge, as at the beginning, the remarkably keen analysis and searching criticism which Mr. Hobson has contributed to this live subject.

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*Anthropogeographie. Erster Theil: Grundzüge der Anwendung der Erdkunde auf die Geschichte.* By Dr. FRIEDRICH RATZEL, Professor of Geography at the University of Leipzig. Second edition. 8vo. pp. 604. Price, 14 marks. Stuttgart: J. Engelhorn, 1899.

Since the appearance of the original edition of this work in 1882, Ratzel has brought out revised editions of his *Völkerkunde* and his *Politische und Wirthschafts-Geographie der Vereinigten Staaten*, has written the second part of his *Anthropogeographie*, and published his *Politische Geographie*. That is, he has been able to work over, in the light of current criticism, the whole field embraced in the present volume, from its foundation in anthropology to its latest development in the formulation of the principles of political geography. The result of this thorough going-over is found in the volume before us, which is therefore much more than a revision of the first edition. The book as it originally appeared, represented the first really fundamental and comprehensive statement of the laws underlying the relation of man to his environment; it was a road-breaker in its way, from its nature therefore subject to limitations. We have now a new statement of the author's opinions from a point of view at once

widened, deepened and matured. The book leaves the impression of thoroughly digested material, and of a sane, conservative attitude on the part of the author towards his subject. Far from claiming too much for his science, he warns over and over against making it a blanket theory to explain any and all problems of history and civilization. He makes nice distinctions in defining the relation of geography to history, gives a discriminating analysis of the mediate and immediate influences of geographical conditions, pointing out that the indirect influences are most important though most difficult to trace, and hence run the greater risk of being assigned to some other than the right factor. As to method, he explains the peculiar combination of analysis and synthesis which geography demands—analysis after the manner of ethnography to get the detailed facts, and synthesis to get the larger, geographical point of view which regards peoples, not as races, but as humanity distributed over the earth's surface. Geographical location, with the large content of that word as the author understands it, is substituted for the narrower conception of environment, which was the point of departure for the earlier anthropogeographers. Situation is the most vital geographical concept; it outweighs all other geographical facts in the life of a people, so that the location of a country ought to be considered the most potent factor in its history. "Many illusions and disappointments as to the results of geographical conditions would have been avoided had this principle been taken to heart. All the details of natural conditions which can be cited in regard to Greece, sink into insignificance in comparison with the fact of Greece's situation at the threshold of the Orient."

In its general plan, also, this volume differs from its predecessor. The chapter on the position of geography in the hierarchy of the sciences has been cut out, as this point has been fully discussed in the past decade. There has been an excision of much matter, too, relative to political geography, which, it became apparent to the author, did not belong strictly to the science of anthropogeography and which he has, therefore, embodied in the meantime in his political geography, thus bearing witness to that process of differentiation which means development. On the other hand, subjects like location, area and boundaries, in consequence of greater clarification of his scientific ideas, have been amplified and pushed into the foreground. One long chapter, entitled "Historical Movement," has been added. In this are considered the mobility of nations, the trend and intensity of their movements, the origin, directions and routes of such migrations, and their various differentiations. The whole subject, in its every aspect, whether the movement of a family, clan, tribe or nation, is treated in a fullness of detail not found elsewhere. Its

full significance is appreciated only when the reader passes on to the succeeding chapters on area and boundaries. Then he realizes that the author's dictum, that mobility or movement is the measure of life in a people, finds its geographical application in the importance attached to boundaries as the indices of the strength of that movement, which shift with the degree of activity. In a people's boundary are detected the first signs of growth or decay, according as it advances or recedes.

Then follows the consideration of the different forms of the earth's surface as constituting man's physical environment,—the influences of seas, rivers and lakes; of the various continents with their peculiar features of size and location; of peninsulas and islands, of mountains, valleys, lowlands and steppes; and the influences of each of these upon different stages of civilization. The concluding chapters discuss flora and fauna as phenomena of the earth's surface in relation to man, and finally the effect of climate. Citations in the text are not numerous, but this, if a defect, is remedied by a carefully prepared bibliography which is appended. This bibliography alone should render the book invaluable to the students of anthropogeography, as it is the most complete we have yet seen. Cross references and a full index further contribute to the helpfulness of the volume.

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*The Distribution of Income.* By WILLIAM SMART. Pp. xv, 341.

Price, \$1.60. London and New York: The Macmillan Company, 1899.

Professor Smart's treatment of the problem of distribution has many of the merits and also many of the defects of the writings of the Austrian economists, with which his admirable translations have made English readers familiar. His style is clear. His illustrations are vivid. In spite of a marked preference for short words and sentences, short paragraphs, and even short chapters, he does not hurry the reader along too rapidly, but takes plenty of time to make his meaning plain. Like Professor Böhm, "at the hazard of being tedious," he indulges in many a backward glance before pushing forward to his conclusions.

The work is divided into two parts, treating of (1) the National Income and (2) Distribution. The twelve chapters of Part I explain, at greater length than is usually deemed necessary, the nature of the income to be distributed. Starting out with a summary of the income tax returns for the United Kingdom, the author traces the connection

between this money income and the real income, and shows that the latter consists of a continuous flow of services, embodied and unembodied in material forms, rather than of a fund of wealth. Chapters on "Income which Escapes both Notice and Assessment" and "The Limitation of Money Incomes by the Real Income" conclude this part.

Three points in this analysis of the national income seem open to criticism. In the first place the author may be accused of taking calculations of the money income of the United Kingdom too seriously. Attacking the problem of distribution from the side of pounds, shillings and pence commends itself to the business community and is therefore defensible; but arguing from an estimate of the money income and statistics of population to a conclusion in regard to the degree of general comfort that would prevail if each got his share "on an equal distribution," as he appears to do on pages 58 and 101, is quite another matter. Fourteen shillings six pence a week, which the author estimates as the *per capita* income, will buy what it does under present conditions, because distribution is unequal. An equal distribution would give quite a different direction to the productive forces of the United Kingdom, and what the resulting *per capita* share of the national dividend would be is a question on which a careful economist may well hesitate to express an opinion.

The second point concerns the excursion into "thinner air than the economist is supposed to have lungs for" in chapter viii. "The relation of man to his world," says Professor Smart, "is primarily that of the animal to its world. He is visibly a part of nature and conforms to all her laws. He gets his living from the earth and air. For a time he builds himself up and grows, and then he sinks back and resolves into the materials from which he came. He is but a worm that fills its skin and draws its life from the earth which it passes through itself and leaves on the grass again. . . . Man is in the stream (of wealth)—like a trout lying with its head to the current—getting its food from what the stream contains, living by that, and passing it through it again."

To discuss this view of the relation between man and wealth would be to write a treatise on philosophy. It may not be out of place, however, in a brief criticism, to inquire to what this analysis leads. If man is to all intents and purposes a "worm" or a "trout" has not economic speculation—that of Professor Smart as well as of less "thin-air" economists—been on an entirely wrong track? Is not the major portion of this and every other treatise on economics an attempt to show the results that follow from man's rational response to certain simple motives? Reasoning from motives to conduct, which is the

essence of economic reasoning, assumes that man is like neither a "worm" nor a "trout," but is a rational being, capable of conceiving definite purposes and shaping the world with reference to their attainment. If this assumption has no foundation in fact, treatises on economics must be put in the same category as works of pure fiction.

The final point is connected with the extension given to the term "income" in Chapter XI. Here it is maintained that not only unpaid services and improvements in environment should be counted as income, but that growing leisure, congenial occupation, the companionship of friends and even freedom and good government should be enumerated under the same category. Is it advisable to make income synonymous with all the pleasures of life, as does this treatment? Or, if this is to be done, may not these other conditions to a happy existence be presented, with more accuracy and precision, as circumstances affecting each man's share of the utilities distributed rather than as matters to be attended to in connection with the distribution of values or marginal utilities? To consider but one of these forms of income "that escape both notice and assessment," is it not truer to the facts to connect the advantages that result from an additional hour's leisure with the increase in the utilities of consumption goods, to which more time is now given, than with the leisure itself? The former is positive, the latter negative except in those increasingly rare cases where tired nerves and muscles crave absolute inaction rather than relaxation.

But these criticisms all refer to points of minor interest. The real significance of the distinctions introduced in Part I appears only in connection with their application in Part II. Of the twenty-eight chapters in this second part the last discusses openly a question which confronts the reader at nearly every stage in the inquiry: "Is it a 'Bad Distribution'?" This is the Banquo's ghost that will not down! In Chapter I other proposed systems of distribution are passed in review and found wanting. Chapter II presents a sympathetic sketch of the harassed employer. Chapter III shows how hopeless are his efforts to realize profits by keeping prices up. Chapter V justifies his efforts to keep costs down. Chapter VI extends this justification to wages and maintains that "unless the employer is to be judged by some other canon than is applied by us all in the ordinary working life, there is nothing dishonorable nor discreditable in the employer buying his labor as cheap as he can get it." Succeeding chapters lose sight of the moral issue for a time and encourage the reader to hope that at length economic forces are to be laid bare. The leveling influence of competition, except where interfered with by the immobility of labor or of capital, is clearly set forth and several chapters are

devoted to the question whether "subsistence" or "the standard of living" has any influence on wages or interest. After this query has been answered in the negative (Chapter XVIII, *A Wrong Scent*) and *A Supposititious Case* has been considered, the author falls back into his old attitude in discussing the influence of trades unions on wages. Instead of treating the reader to a first-hand consideration of the part trades unions play in determining the wages contract, Professor Smart contents himself with presenting a half-ironical summary of the views set forth by the Webbs in *Industrial Democracy*, and argues that even if their interpretation of the trades union movement—which he implies caused him to "rub his eyes" when he first read it—be accepted, the unions have had little or no direct effect on wages, and have rendered service chiefly in intensifying the competition which pushes inefficient employers to the wall. And this concludes what he has to say of wages and interest. Rent, which he finds entering "more or less into the remuneration of every factor," he disposes of in nine pages. A chapter nearly twice as long made up of notes or "raw material for others to work on," is devoted to *Professional Incomes*, and then the work concludes with the discussion of *Is it a Bad Distribution?* already referred to.

So many points arouse opposition in this second part that the reviewer is at some loss to decide on which to concentrate his attack! The author's desire to judge of the moral bearings of the economic tendencies he depicts is excusable, even commendable. The line of reasoning, however, by which he tries to establish the fact that "though ordinary canons forbid a man to lie or cheat or misinterpret" (p. 143), an extraordinary standard must be appealed to to condemn the employer who, for example, pays his factory girls lower wages than can possibly maintain them ("buys his labor as cheap as he can get it," p. 146), leads one to distrust his judgment touching a moral issue. Moreover if the question, "is it a bad distribution?" is to be given such prominence, what justification can be urged for ignoring altogether the existence of monopoly profits, for devoting only nine pages to the rent question, and for disposing in two more (pp. 331 and 332) of arguments against prevailing property and inheritance laws which are recognized as being at the basis of the present system? One need not be a single taxer nor a socialist to find fault with an analysis of the present system of distribution which is so intent on finding "something curiously like a rough justice" in it, that the only "seamy side" of things exposed is in connection with the misdirected zeal of trades union organizers (p. 273) and that offers no suggestions of how the admitted "roughness" may be softened for the non-inheriting, if not disinherited, masses. Public opinion demands and



rightly demands of the present day economist a clear social purpose in his work. That no such purpose illumines the pages of Professor Smart's book is in the reviewer's opinion its most serious defect.

But a treatise on distribution is not a work on social reform! Disregarding the author's failure to recognize adequately the difference between the distribution that would result from the free play of competition and the actual distribution in which monopoly incomes appear so prominently, there is another part of his economic analysis that deserves careful attention. In Chapters XIV to XVIII he follows, what he calls, "a wrong scent." Returning from this excursion he concludes that "to seek the explanation and principle of remuneration in subsistence . . . is to conceive that the factors are paid, not according to the service they render, but according to what it costs to bring them into being and keep them in being. . . . To make this the claim of wage in a community whose *dividendum* is increasing about twice as fast as its divisors, is almost a claim of despair. It is to confess that the worker cannot get a wage commensurate to what he has produced—to what his services are worth as demanded by the community" (pp. 230-231). As an account of the standard-of-living theory of wages this and the chapters that precede are believed to be unique in serious economic literature. Did any advocate of that theory ever maintain that in a community progressing at the rapid rate he assumes, wages would be held down to the standard of living? Has it not been recognized by every English writer, from Adam Smith to Marshall, that the prevailing standard of living simply sets a limit below which wages will not fall, unless in consequence of some serious national calamity which forcibly lowers the standard and that wage-earners have as good a chance as others to secure a share of a growing national dividend? The true import of the standard-of-living theory of wages is brought out when the question is raised why the divisors in the community referred to increase only half as fast as the *dividendum*. That such is the tendency in the United Kingdom and the United States will not be denied. Is it because the fecundity of the race is declining? Is it not rather because the standard of living is being elevated? Far from being a "claim of despair," as the author represents, the standard-of-living theory of wages is regarded by its modern exponents as a gospel of hope. According to Professor Smart's theory the laboring masses enjoy higher and higher wages, because of more abundant and superior capital and more efficient forms of organization; circumstances over which they have little direct control. According to the other theory their higher wages continue to be enjoyed because of the restraint which they voluntarily put upon the promptings of their

animal natures. Professor Smart's theory, like that of the Austrian writers, with whose reasoning it harmonizes, is open to the charge of superficiality. As an explanation of the forces which share income between labor and capital, the supplies of the latter being given, it is helpful. But as a treatment of the complete problem of distribution it is wholly inadequate.

So much space has been given to a defence of the "Subsistence Theory of Wages" that only a word can be said in regard to his assumption that the trend of prices must be downward. The reasons given for this view are that "as the population of the world is increasing fast; as its wealth and the exchanges of that wealth are increasing faster; and as entire nations are rising faster still from barter and barbarism into exchanging communities, it is impossible that the increase of our precious metal money can be as great as the increase in the work that is being put upon it" (p. 123).

Against this view it may be urged that:

1. The increase in the use of credit substitutes for the money metal has been even more conspicuous, since the era of silver demonitization closed, than the increase in population, in wealth, or in the number of barbarous peoples emerging into civilization.

2. That the production of gold has increased in greater ratio in recent years than the production of other commodities taken together, or even than any other single commodity of importance.

3. That, as a matter of fact, all of the evidence indicates that prices have been rising during the last three years rather than falling.

None of these considerations is conclusive, but together they raise a doubt as to whether the typical employer is at quite such a disadvantage in the modern distributive process as these pages represent.

The preceding criticisms have been based on the assumption that the work under review was intended as a contribution to economic thought. The reviewer has not been without misgivings lest in making this assumption he was taking the book more seriously than the author intended. In the preface, Professor Smart refers to his superior opportunities for entering into the difficulties of the "ordinary man." Later he adds: "It may, perhaps, carry the more weight if I say that I began writing with a long-rooted conviction that the present distribution was bad, even unjust, and that I did not know from chapter to chapter where the argument would finally lead me." If, as these conciliatory observations indicate, the book was written to solve the doubts of the "ordinary man," the criticism that the author has made the subject too simple, is idle. Judged in this light, Professor Smart deserves all credit for an earnest effort to explain in clear and vivid language, free from academic cant, a set of phenomena which the

ordinary man ought to understand, but which the trained economist finds it difficult to render comprehensible even to his own mind.

HENRY R. SEAGER.

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*The Future of the American Negro.* By BOOKER T. WASHINGTON. Pp. x, 244. Price, \$1.50. Boston : Small, Maynard & Co., 1899.

Mr. Booker T. Washington's book on "The Future of the American Negro" is largely a *resumé*, as the introduction intimates, of what this distinguished negro educator has had to say from time to time upon the theme nearest his heart—industrial education. The negro problem, as it is called, still continues to be one of the most absorbing topics of the times, and Mr. Washington's nineteen years of work in the populous Black Belt of the South have afforded him valuable opportunities to observe, compare, and reach conclusions that are of great worth on the subject. To such a spokesman the thoughtful public willingly lends an attentive ear.

Mr. Washington is well known to be a strong believer in industrial education; he asserts unequivocally that "in too large measure the negro race began its development at the wrong end," that "industrial independence is the first condition for lifting up any race," that the negro must become a producer, meeting the economic demands by industrial training. Chapter I is devoted to a brief sketch of the negro's introduction into America, his increase and his part in the country's life from the earliest times to the end of the Reconstruction era. Chapter II aims to show the interdependence of all parts of our common country and of our people—especially in the southland—in connection with a view of the present conditions there. He insists that knowledge will benefit the race little "except as its power is pointed in a direction that will bear upon the present needs and conditions of the race," and he declares himself in possession of a strong brotherly sympathy for the entire South—all classes and races—suffering from the burdens of the situation. Chapter III pictures the prosperous plantation of *ante-bellum* days, and pays tribute to the methods then followed which produced colored men skilled in the trades. This is contrasted with the conditions of the present time and the almost utter lack of such skill which places him at a disadvantage in the industrial world. Chapter IV emphasizes the preceding one by statement of the author's conception of the proper use of education and by illustrations showing to what this lack of skill has led. Chapter V logically follows with the setting forth of the plan of industrial training carried out in the author's own school—Tuskegee,

Alabama—which he sums up as aiming at making teachers and industrial leaders who will push forward similar training throughout the Black Belt. The negro conferences for which Tuskegee has become noted are also sketched, with motives and *modus operandi*.

Chapter VI gives the author's views on the franchise. He defines his position as being subservient to the interests of his race and the whole South, and his policy as one of non-activity in party politics. He attributes the present state of affairs to the "unfortunate" beginning during the Reconstruction era and to mutual misunderstandings between the two races in the South. We find here in an open letter to the State Constitutional Convention of Louisiana, what is perhaps the fullest public expression of Mr. Washington's opinion on political subjects,—a manly, sensible, strong appeal for protection of the ballot, for equal voting tests for both races, for the upholding of law. The permanent cure, he affirms, will come most of all through "industrial development of the negro" which will make him a producer, a property holder, a tax payer, and therefore a careful voter, and he prophesies a division of the negro vote on economic issues.

Chapter VII passes by all theories as to emigration and colonization as impracticable. The desirable relations between the races are dwelt upon, and the negro's weak as well as strong points are summarized and analyzed to a certain extent. It is interesting to note that, despite the frequent assertions of a wrong beginning in negro education that led the race away from a proper consideration of the "dignity of labor," we meet at this point the equally emphatic assertion that the negro "is not ashamed or afraid to work." The lynching evil is forcibly treated at the close, showing, as all right thinking persons must admit, that naught but moral deterioration for all races concerned can follow such utter disregard of law. The eighth and last chapter consists of a general summary of the preceding views and of a series of suggestions as to a future policy. Mr. Washington enumerates six dangers: in impatient extremists among the negroes of the North incapable of understanding the southern situation; in the white South's allowing itself without protest to be represented by the mob; in discouragement to the race under present conditions; in exaggerated reports of race troubles; in ignorance and idleness; and in unjust legislation against the race. His remedy is closer identification of the negro with the South and its interests, southern white interest in negro schools to be actively shown by white teachers, and industrial training for the race, concerning which he says "I believe that slavery laid the foundation for the solution of the problem that is now before us in the South." Mr. Washington grants that professional men will be needed, but we gather as his opinion that there will not

be a very decided *raison d'être* for them until there is a colored constituency to support them, and also that, after all, leaders must be those largely able to "infuse themselves into agriculture, mechanics, domestic employment and business."

There are three points, in fact, that might be taken to sum up the book as a whole, and upon which the author places from beginning to end continuous, strenuous insistence. First, that the education first given the negro, based on methods used in New England, was a serious mistake and the possible cause of the lack of progress along economic lines. This is only a half truth. When we consider the universally acknowledged, phenomenal progress of the race since the war we question whether the race would have stood where it does to-day in general prosperity, in intelligence and in the respect of the world had industrial training been at all practicable at that date. The second point is the generally admitted necessity of amicable relations between the races, especially in the South. Third, industrial education is the solution of the problem. The unbounded efficacy of this remedy will be doubted by some.

But, taking the book as a whole, it is an earnest, thoughtful, well-wrought plea for industrial training, just such a book as would be expected from Mr. Washington whose heart and soul are bound up in his worthy and magnificent work in the South. It is epigrammatic, anecdotal, persuasive, and abounds in sensible suggestions, not the least of which is that more attention be given to the race history, to collecting relics that mark race progress and to perpetuate in durable form race achievements. Viewed from any standpoint this work of 244 pages makes a contribution of permanent value to the race discussions. There is one defect, however, which must be noted, aside from that of the attempt to marshal all facts concerning a people as logical material to prove any one thing. Considering the title the book bears it is defective in that higher education is not allowed to play any part in this discussion relative to the future of the American negro, except perhaps to "point a moral or adorn a tale," or to illustrate humorously its mistaken uses. The reasoning connected with mental development all trends along the line that such development is worthless except as it can be traded for a material something (p. 76). I cannot believe that either the white or "colored" race is ready as yet to commit itself solely and irrevocably, along educational lines, to the discipleship of materialistic utilitarianism.

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## NOTES ON MUNICIPAL GOVERNMENT.

### AMERICAN CITIES.<sup>1</sup>

**New York City.**—*Confession of Judgment Act.* One of the most important pieces of legislation affecting the financial system of Greater New York has been the outcome of a controversy between the comptroller and the corporation counsel. Inasmuch as the issue raised is one which we find in all the larger cities of the United States, its solution cannot help but be of general interest. One of the great abuses to which the office of corporation counsel or city solicitor has been put has been to confess judgment in cases of claims against the city, thus taking from the financial officers, and even from the local legislative assembly, the control over expenditures which the theory of our government contemplates. In Philadelphia, for instance, the amount thus drawn from the city treasury without previous appropriation often exceeds a million dollars. For the year 1899 it was \$1,459,556.27.

The desire on the part of the comptroller of New York city to maintain a strict supervision of the finances of the municipality led him to request of the corporation counsel that before judgment be confessed in any claim against the city, there should be a consultation between the two departments. In this communication the comptroller points out that during the last two years not one judgment in ten that has been paid out of the city treasury has represented anything but the sole, uncontrolled and unchecked action of the corporation counsel, who is an appointive and not an elected officer. "Where judgment is entered by consent or by default, or upon offer of judgment, the judicial decree represents nothing but the acquiescence of the defendant." In reply to this communication, the corporation counsel denied the right of the comptroller to interfere in these matters and refused to follow the suggestion offered. As a result the comptroller secured the introduction of two measures in the legislature, which have just been passed. The first provides that the corporation counsel

<sup>1</sup> *Municipal Bibliographies.*—The Social Division of the New York State Library has issued a series of reference lists—two of which relate to municipal government— which will prove of very great value to investigators in this field. Reference List No. 6 covers the subject of Central Control of Police; Reference List No. 7 the question of Municipal Home Rule. Both are worked out with great care, the selection being made from those works and reports which are of permanent value. With a series of reference lists of this character it will be possible to cover the whole field of municipal government and place in the hands of everyone a guide for the study of concrete problems.

"shall not institute any proceedings for acquiring title to real estate by condemnation proceedings, except for opening streets, unless the same shall have been approved by the concurrent vote of all the members of the Board of Estimate and Apportionment, upon a statement to be furnished said board of the valuation of such real estate as assessed for purposes of taxation ; further, that the Board of Estimate and Apportionment shall have power by a majority vote to direct such changes to be made in the forms of contracts and specifications as may seem to promote the interests of the city. "Furthermore," that the corporation counsel "shall not be empowered to compromise, settle or adjust any rights, claims, demands or causes of action in favor of or against the city of New York, or to permit, offer or confess judgment against the city, or to accept any offer of judgment in favor of the city, without the previous written approval of the comptroller ; and in case of any claim for a money judgment exceeding ten thousand dollars, or for relief other than in the nature of a money judgment, the previous written approval of the mayor shall be also necessary."

The second act provides that "all contracts involving an obligation payable from the city treasury for work to be done or supplies to be furnished, not made at public letting in the manner provided in section 419 of this act, shall be evidenced by orders or requisitions in writing upon forms to be approved by the comptroller, signed by the proper head of department, board, officer or commission. Such orders shall either state the specific amount agreed upon for the said work or supplies, or shall state that payment therefor shall be at the current market rates, but in either event it shall be lawful for and the duty of the department of finance in auditing and paying claims against the city treasury arising thereunder, to deduct therefrom any charge in excess of such current market rates ; provided, however, that such action by the department of finance shall not be conclusive to the extent of preventing creditors of the city of New York from disputing the justice of such determination by a proper action at law. No claim shall be enforceable at law against the city of New York for work done or supplies furnished, not arising out of a contract made at public letting, and excepting purchases for contingencies of less than ten dollars unless the same shall have been duly ordered by the proper head of department, board, officer or commission in the manner herein provided. The comptroller may require any person presenting for settlement an account or claim for any cause whatever against the corporation, to be sworn before him touching such account or claim, and when so sworn, to answer orally as to any facts relative to the justness of such account or claim."

*Revision of the City Charter.*<sup>1</sup> The charter revision commission appointed by the governor, under the law passed by the legislature, is composed of fifteen citizens of the city appointed to represent the five separate boroughs. The chairman of the commission is Mr. George L. Rives, one of the rapid transit commissioners. The commission began its work immediately after its appointment. A public hearing has been held in each borough, at which the views of a number of persons and organizations upon important points involved in the revision have been presented to the commission. Although the commission has not made any formal declaration of the principle upon which it will work, it is very improbable that it will undertake to make any radical changes in the scheme of the present so-called charter. That instrument is in form not a charter, in any proper sense; it is rather a body of ordinances. With a charter of this character, the legislature is called upon to act in large measure as the local law-making body of the city. Indeed, the chairman of the senate committee on affairs of cities complained last winter that his committee was in effect a board of aldermen for the city of New York.

The organization of citizens more particularly interested in the revision of the charter is the City Club. While that body has not yet formulated all the suggestions which it will make before the commission, it may be said that there is a widespread feeling that it is hardly worth while to expend a great amount of vitality upon the patching of the present hopelessly defective instrument. It is proposed that a special committee of the City Club, composed of members of the club having special knowledge of the subject, shall formulate suggestions as to the amendment of that part of the charter relating to the department of education. This subject needs very careful attention, and is, to a great extent, separable from the rest of the charter. The club has under consideration other important subjects, such as proportional representation, and the administration of the tax department. It has urged upon the commission (1) that the mayor's power of removal, now limited to the first six months of his term, should be extended throughout his term; (2) that the Municipal Assembly, now composed of two houses, should consist of a single house, probably elected by a system of proportional representation, and that in any case at least some of the members should be elected otherwise than by the present method of returning one member from each separate district; (3) that the charter should provide for municipal ownership and control of water supply and water front; (4) that the police department should be under a single commissioner in place of the so-called bi-

<sup>1</sup> Communication of James W. Pryor, Esq., Secretary of City Club, New York City.



partisan board of four members, and that the bureau of elections should be separated from the department. The views of the City Club as to the time expenditure necessary for a satisfactory revision of the charter, not having been met in the law under which the commission acts, the disposition of the club is to believe that, however industrious and intelligent the commission may be, it can do only very imperfect work under the conditions imposed upon it.

*City Officials and the American Ice Company.* During May interesting developments took place, tending to show that the mayor and other city officials, as well as leading Tammany men not holding municipal office, were interested largely in the American Ice Company, a corporation doing business with many of the city departments, and depending in large measure upon the favor of the dock department for the necessary facilities for introducing its ice into the city. The attorney-general of the state has instituted proceedings to revoke the certificate of the ice company to do business in this state; and, under a section of the charter of the city, a special inquiry as to the connection of municipal officers with the ice company is in progress before a supreme court judge.

**Pennsylvania.**—*Ballot Reform.*—The Union Committee<sup>1</sup> for the Promotion of Ballot Reform and the Merit System in Pennsylvania has been formed by representatives from the Pennsylvania Ballot Reform Association, the Civil Service Reform Association of Pennsylvania and the Municipal League of Philadelphia to undertake the work of appealing to the friends of honest government in the state to organize and conduct a non-partisan educational campaign in behalf of these two objects. Already a large number of petitions have been circulated and signed, and a large quantity of literature has been prepared, setting forth the urgent necessity for the introduction of ballot reform and the merit system in Pennsylvania. A representative of the Committee has been working in various parts of the State, and thus far two auxiliary committees have been organized, one in Pittsburg and one in Scranton. Both of these committees are the outgrowth of the work of the field representative. They represent the business and professional elements of the community. It is the expectation of the Committee that similar work will be done in other parts of the state, so that by the time the Legislature convenes in January, 1901, there will be a chain of auxiliary organizations, all pledged to active co-operation.

One of its leaflets dealing with ballot reform sets out the work which has been done during the past ten years in behalf of the Australian

<sup>1</sup> The officers of the Union Committee are Clinton Rogers Woodruff, chairman; Cyrus D. Foss, Jr., secretary; Stuart Wood, treasurer.

system, and recites the various successful attempts of the political machines to thwart these efforts; it also sets forth the necessity for the enactment of an adequate personal registration law and an up-to-date election code.

*Convention of Cities of the Third Class.* For some years the cities of the third class of the State of Pennsylvania have been endeavoring to secure amendments to the Corporation Act under which they are organized. Under the present system of classification in the State of Pennsylvania all cities with a population between ten thousand and one hundred thousand are included in the third class. The great difficulty has, therefore, been to bring about united action by such cities, owing to the impossibility of reaching an agreement on the needs of cities of such different size. Those cities like Scranton, with a population of eighty thousand or over, require a form of organization far too complex for a small town like York, and conversely, the simplicity of organization adapted to the smaller towns is ill-adapted to meet the needs of the larger. Partly owing to this fact and partly owing to the lack of concentrated action on the part of all the cities of the third class, no legislation has as yet been secured. Some months ago the mayors of several of the larger cities determined to call a convention for the purpose of forming a permanent organization of the cities of the third class in order to secure the necessary legislation. A call was sent for a convention at York to be held on the 15th of May. To this convention each of the twenty-five cities of the third class sent as representatives, the mayor, the city solicitor and two members of each branch of councils. At this convention a permanent organization was effected. The work of the convention was outlined in an address by Professor L. S. Rowe, of the University of Pennsylvania, in which the following recommendations were made for the consideration of the convention:

1. The present system of classification is ill-adapted to the requirements of cities of the third class, in that it links together cities of such diverse needs.

The division should be as follows:

First Class—Cities with a population of over 250,000.

Second Class—Cities with a population of from 50,000 to 250,000.

Third class—Cities with a population of less than 50,000.

2. The divided local representative assembly while justified in the national and state governments, has no place in the municipality. There should be but one branch of councils, one-half of the members elected on the district system, the other half at large.

3. The appointments of the mayor should not be subject to the advice and consent of select councils. This is necessary to enforce political responsibility.
4. Police Department. In cities with a population of fifty thousand (50,000) and over, a department of police with a commissioner appointed by the mayor, should be established, subject to civil service regulations formulated in law. The power of appointing members of the police force should be vested in the commissioner.
5. The power of the city controller should be enlarged.
6. The granting of franchises should be subject to the following conditions:
  - a. Limitation of term to twenty-five (25) years.
  - b. Return to the city should be based on gross receipts.
  - c. Accounts should be kept in accordance with forms presented by the city comptroller.
7. There should be some provision for uniformity of accounting of cities of the third class.

These recommendations were made the basis for the discussions of the convention. The outlook for the securing of remedial legislation is most favorable, owing to the concerted action of the cities most interested.

*Pennsylvania Sanitary Convention.*<sup>1</sup> The eleventh state sanitary convention of Pennsylvania was held at Mechanicsburg, May 23-25. The session was principally devoted to the discussion of the various phases of rural sanitation. The papers agreed that rural sanitation to-day is as unsatisfactory as when the State Board of Health was established. Dairies are unsanitary; school houses are badly located, lighted and ventilated; rivers and wells are constantly polluted, as is testified annually by typhoid in 500 towns; the dead are buried without any record; statistics of births, sickness and mortality are wanting; infection is neither prevented nor controlled. The representatives from Allentown, Norristown, Shenandoah, Phoenixville, Lancaster and McKeesport testified that cases of typhoid, diphtheria and scarlet fever were traced to suburbs and townships without boards of health. All united in declaring that the pressing need to-day is effectual rural sanitation, that the safety of cities is constantly menaced by the existing laxness, and that the present administrative machinery is not capable of enforcing sanitary law in rural districts.

Various suggestions were made looking towards a reorganization of the state sanitary service. In the past, the legislature has attempted to correct evils by creating additional inefficient machinery or by

<sup>1</sup> Communication of Dr. Wm. H. Allen, of the University of Pennsylvania.

giving additional power to boards which made no pretense of activity. The state veterinarian urged the necessity of regular inspection of dairies and the publication of results, as is now practiced at Williamsport and Meadville. It was claimed by various health officers that the cities could not afford to inspect all of the dairies; it was also urged that not one town in a hundred would institute such inspection. Therefore the establishment of county or state inspection was demanded.

As a result of the conference the following changes were recommended for the consideration of the committee on legislation. The substitution of state for local authority, and to that end the establishment of a state bureau of health with a superintendent and an advisory board; the districting of the state for inspection and administration, at the expense of the state; displacement of the board system by executive officers; the substitution of compensated service and notification for volunteer service, and notification of infection; the regulation of state aid to hospitals so that the erection of fever hospitals will be encouraged; the substitution of the county for the borough and school district as units of administration, and the establishment of a bureau of vital statistics.

No better proof is needed of the necessity of such fundamental changes as here suggested than the fact that only thirty out of three thousand sanitary administrative units were represented in the convention.

**Pittsburg.**<sup>1</sup>—*Civil Service.* At the last session of the Legislature, the Director of the Department of Public Safety obtained the passage of a law enabling him to introduce a system of competitive examinations to govern appointments to the fire department and the police force. The first report of the police bureau since the introduction of the system has been presented to city councils. The superintendent of police says: "We have no hesitation whatever in saying that the system will result in great good to the bureau from the fact that it very largely eliminates politics and places men on merit for appointments. Experience of the year has taught us that fully 50 per cent of applicants fail on physical examination, and of the remaining number, possibly 25 per cent, fail on the mental examination, thereby raising the force to a higher physical and mental standard." It is to be noted that the introduction of this reform was not due to the pressure of outside sentiment, but to the personal initiative of the head of the department who is thus strongly interested in seeing that the system is fairly worked. The success of the system in improving the personnel of the police force tends to promote the extension of it to other departments of the city government.

<sup>1</sup>Communication of Henry Jones Ford, Esq., Pittsburg, Pa.

The act by which the system of competitive examinations was introduced is a general law applicable to cities of the second class. It, therefore, applies to Allegheny City, which is also a city of the second class, but it has not been put into effect there. Mayor James G. Wyman, of Allegheny City, is now taking steps to establish a civil service commission and put the law into operation. Mayor Wyman and the Director of Public Safety in that city are chiefs of opposing political factions and the mayor's present interest in civil service reform is ascribed by his opponents to his hostility to the director, but this, if true, illustrates the way in which competition of political factions for public favor promotes reform movements.

*Party Politics and Governmental Forms.* The case of Pittsburg and Allegheny are particularly interesting to students of municipal government from the evidence they afford of the fact that governmental character is determined, not by charter forms themselves, but by the functional activities developed under them. The two cities are adjacent, separated only by the Allegheny River, and their population is the same in general character. Indeed, the two cities constitute one business and social community. They have the same form of government and yet they differ widely in the general character and tendencies of their government. In both, the heads of departments are elected by the councils, while the mayor is chosen by popular election, but in Allegheny there is a chronic opposition between the mayor and the department chief controlling the police and fire service, while in Pittsburg harmonious co-operation is the rule. During a recent contest over the nomination of legislative candidates in an Allegheny district, the mayor and the department chief were antagonistic faction leaders, each accusing the other of abusing his official authority for partisan purposes. In an altercation upon the city hall steps the mayor was knocked down by a captain of police, who, although temporarily suspended, was exonerated and restored to his duties. In Pittsburg the character of the men chosen to high office and the tone of official propriety which prevails make such an occurrence impossible.

The cause of the remarkable difference which exists is to be found in political usage. In Pittsburg mayors are nominated by conventions of delegates acting under the instruction and advice of party managers, whose influence also guides councils in electing the heads of departments, and in this way administrative unity is obtained. In Allegheny, the mayor is nominated by the direct vote of the people and in the canvass party lines are effaced. The contest excites intense popular interest and brings out such a heavy vote that the total poll exceeds even that at a presidential election. It has been found in practice that no one can be elected except a candidate of the kind the

politicians call "a mixer," a man who goes from saloon to saloon and other places of popular resort, shaking hands, treating and making friends by being "a good fellow." Under these circumstances it has happened that a man whose term as mayor was cut short by a conviction for malfeasance and a term of imprisonment, obtained a re-election by active personal canvass on the platform, "give a man a chance to show that he can do right." It may be unpleasant to consider such facts but they certainly deserve consideration.

**Boston.**—*Mayor's Message.* The inaugural address of Mr. Hart, of Boston, contains a review of the work of the several departments during the year 1899. This review shows very clearly the growth of the Metropolitan District System, which is making Boston a part of a larger municipal unit for the performance of the more local important services. There is at present a Metropolitan Park District, a Metropolitan Water District and a Metropolitan Sewerage District. The latest of these developments is the Metropolitan Water System, which was taken over by the Metropolitan Water Board on the first of January, 1898. Since that time the expenditures of the board have been nearly twelve million dollars. "Annual assessments are made upon the various cities and towns of the metropolitan districts, to defray the costs of maintenance and interest on the debt and for the establishment of a sinking fund to pay the principal of the indebtedness incurred when the loans authorized by the commonwealth shall mature." Boston's proportion of total assessment was 83.39 per cent in 1898 and 82.37 per cent in 1899. It is the opinion of the board that the annual cost of water to all the different parts of the Metropolitan Water District will be materially decreased by the establishment of the Metropolitan water works, and that the water rates in Boston, as well as to the other cities and towns, may be considerably reduced in the future.

*Local Taxation.* During the past year there has been considerable agitation for the revision of the state law relating to the taxation and indebtedness of the city of Boston. An interesting communication to the Boston Real Estate Exchange by the Hon. Nathan Matthews, Jr., formerly mayor of the city, reviews the local financial situation and makes the following recommendations:

1. To repeal authority given to the city, but not yet exercised, to borrow money outside of the debt limit.
2. To raise the debt limit to  $2\frac{1}{2}$  per cent in order to enable the city to finish the work already begun under authority to borrow outside of the debt limit.
3. To provide that all suburban streets not exceeding fifty feet in width shall be built upon the assessment plan.

4. That no loan for improving sidewalks, or any other form of street construction, shall be for longer than ten years, thus making reasonably sure that the work will survive the loan.

5. To repeal the law making an independent government of the school committee and give the mayor power to appoint both the members of the school committee (reduced, perhaps, in number) and the members of the board of street commissioners.

6. To prohibit the borrowing of money to pay interest and sinking fund requirements.

7. To prohibit the borrowing of money for the extension of the city's water mains.

8. To leave the tax limit as it is at present, namely, nine in a thousand of the average valuation for the five preceding years for both city and county purposes.

**Cincinnati.**<sup>1</sup>—*Legislation Affecting the City.* The legislature which adjourned on April 16, 1900, enacted few general laws of special benefit to the good government of the city. The municipal code, which was supported by all friends of good government, was defeated. Two years hence another effort in this direction will be made—then it is to be hoped that separate measures for civil service, for ballot reform and federal system of government will be introduced, instead of embodying all in one measure. The most important piece of legislation was the annexation bill. In accordance with its provision an ordinance was passed providing for the annexation to the city of many villages and hamlets having a population of about twenty-five thousand and a tax valuation of \$20,000,000. This was to have been submitted on May 29, 1900, to a vote of the citizens of the city and the district proposed to be annexed, but in the interval the several villages anticipating annexation entered upon all sorts of wild-cat schemes of public improvement and franchise granting. Many hundred thousand dollars of bonds were issued (most of them to be sold before the election) and many valuable franchises were granted to speculators. Public opinion soon changed, and on May 21 the board of legislation repealed the annexation ordinance. Cincinnati will therefore not enjoy the title "Greater Cincinnati" in time for the 1900 census. It is possible that if the villages recall their bond issues and can procure a surrender of their grants, that annexation may yet be accomplished.

**Omaha.**<sup>2</sup>—*Collection of Personal Taxes.* One of the agreeable surprises resulting from a change in the personnel of city officials incident to the recent municipal election is the policy of the new city treasurer in undertaking a literal enforcement of the law relative to the tax on personal property. This tax has generally been a farce,

<sup>1</sup> Communication of Max B. May, Esq., of Cincinnati.

<sup>2</sup> Communication of Charles S. Lobingier, of the Omaha Bar.

not only in Omaha, but throughout Nebraska. The subject of taxation is easily hidden from the assessor or moved from one county to another, and the steps taken to enforce even the partial and imperfect levy thus made have usually been half-hearted and ineffectual. The consequence has been that a large portion of personalty has always escaped taxation, while in Omaha the payment of such taxes has been the exception rather than the rule, the whole system degenerating into one of voluntary contribution by the taxpayer. The question of reform in this direction has for some time engaged the attention of the Commercial Club, and the present city treasurer, upon assuming the duties of office, declared it to be a part of his policy to attempt in earnest the collection of personal taxes. In carrying out this policy, he proceeded to revive and put in practice the provisions of an almost obsolete statute which re-enacts the antiquated common law remedy of distress and authorizes the treasurer to distrain, or seize without judicial process, the personal property of the delinquent taxpayer. In one case a dilatory citizen, whose unpaid personal taxes amounted to about \$1,000, found himself bereft of valuable household furniture, which was taken and sold by the agents of the treasurer. In another instance, a local merchant, whose debt to the city for the same item was in the neighborhood of \$600, found himself confronted with the alternative of paying this amount or having a portion of his stock seized, and chose the former. So effective have been such examples that other delinquents have hastened to settle their accounts with the city, and on the single day of May 24, the payment of back personal taxes reached the unprecedented figure of more than \$2,000, a fact whose significance will be understood, when it is stated that this tax, in the case of the average citizen, amounts usually to less than \$5.00.

Some interesting legal questions have arisen in connection with this new policy of enforcing the tax law, and several suits have already been started to test the legality of the method. It has been urged that the statute authorizing the remedy of distress or distraint, which is wholly summary, and prevents a resort to the courts, is an infringement of that section of the Bill of Rights which prohibits the taking of private property "without due process of law." In Kentucky, however, where the constitution contains a similar clause, the court of appeals has recently rejected this contention. In *Garnett v. Jennings* (Ky. 1898), 44 S. W. Rep. 382, the validity of a statute authorizing a landlord to distrain for rent (which was precisely the scope of the common law remedy) was in question, and the court said:

"It is further objected by appellants that the whole law of distress is contrary to, and in conflict with, both the federal and state constitutions, as depriving the tenant of his property 'without due process of law.' But the words 'due process of law' do not necessarily imply



a trial by jury, as seems to be contended on behalf of appellants. 'The better and larger definition of "due process of law" is that it means law in its regular course of administration through courts of justice.' 2 Kent Com. 13. The words were intended to have the same meaning as the words 'by the law of the land' in Magna Charta. *Murray v. Improvement Co.*, 18 How. 276. But the remedy of the landlord by distress was in existence at the time of the adoption of the constitution, though greatly modified in the more oppressive features which appertained to it at the common law."

It would seem that this language is *a fortiori* applicable to the Nebraska statute, since the latter was designed to aid the state in the exercise of its taxing power, and was not, like the Kentucky statute, merely a provision for determining controversies between private citizens.

**Havana.**—*Financial Condition of the City.* The report of the Havana Finance Commission appointed by the military governor of Havana contains a large number of important recommendations for the reorganization of the financial system of the city. The principal items of income, taking the average of the last ten years, were as follows:

1. From property owned by the city.
  - (a) Water rents . . . . . \$272,000 00
  - (b) Markets . . . . . 145,000 00
  - (c) Slaughter houses . . . . . 138,000 00
2. From direct taxes.
  - (a) Tax on consumption of meat . . . . \$676,000 00
  - (b) Tax on city and rural real estate . . 190,000 00
  - (c) Industrial tax on persons and industries . . . . . 238,000 00
3. Miscellaneous receipts.  
 Amounting to about . . . . . \$166,000 00

When American rule replaced Spanish dominion the anomalies of the financial situation were so numerous that nothing short of complete reorganization would meet the needs of the situation. The finance committee made a very thorough study of the system of taxation, the sources of revenue other than taxation, and the financial management of the various public works. It found a series of monopolies which had been granted under Spanish rule, and which prevented the readjustment of the system upon a sound basis. The most important of these monopolies was the right of carrying dressed beef from the slaughter houses to the butcher shops, which had been granted in 1706 to the high constable of the city of Havana as partial payment for the services which he rendered in that office. A fee of

fifty cents for each carcass was charged for such transportation, which netted a handsome revenue to the state. The commission recommended that the city assume charge of the cartage of meat and that the price be reduced to twenty-five or thirty cents per carcass. This was done by the military governor, but appeal was taken to the Government at Washington by the owners of the monopoly, and the matter has not as yet been definitely decided.

Another change, which was made immediately after the establishment of American military rule, was the abolition of the tax on meat. The commission recommends furthermore:

1. A change in the system of water rents, so as to bear less heavily upon the poor of the city and more equitably upon the wealthy residents and upon hotels, factories, etc., and that a special meter service be adopted for hotels, factories, baths and other industrial enterprises.
2. The abolition of the state tax on improved city real estate.
3. The establishment of the tax on docks.
4. The reduction of the fees for the registry of property transfers.

The commission is still continuing its work, which will require some months for completion.

#### FOREIGN CITIES.

**London.**—*The Housing of the Poor.* During the last ten years the cities of Great Britain have undertaken to improve the housing conditions of the working classes through the destruction of insanitary areas and the construction of model dwellings of both the tenement and single house type. The Annual Report of the Housing of the Working Classes Committee of the London County Council contains a record of the work of the county council during the year ending March 31, 1899. Under the act of 1890 the administrative authorities of London are empowered to undertake four different classes of improvements:

*First.* The county council, after sanction by the secretary of state and parliament, may carry out plans for the improvement of insanitary areas which are of such size as to be of general importance to the whole country. In any such scheme it is essential that dwellings should be provided on the area dealt with for at least half the persons displaced.

*Second.* The constituent vestries and district boards which exercise administrative authority over portions of the present administrative County of London may institute proceedings before a magistrate for the closing and demolition of single houses which are unfit for human habitation. Sections 39 and 46 of the act enable the vestries and district boards and the county council, either in conjunction or other-

wise, to undertake schemes for the improvement of areas which are too small to be of general importance to the whole county. In any such scheme it is not essential that dwelling accommodations for the persons displaced should be provided.

*Third.* Part III of the of the act enables the county council to purchase by agreement or (with the consent of the secretary of state and parliament) by compulsion, houses for the accommodations of persons of the working class, or land for the erection of such houses. In addition to these powers the vestries and district boards may obtain the closing and demolition of insanitary habitations by proceedings before a magistrate under the Public Health Act of 1891.

The pressing need for housing accommodations led to a series of investigations as to the possibility of erecting model tenements in different portions of the County of London. The county council adopted the principle that housing accommodations should be provided for a number of persons equal to those displaced by any improvement, but that such accommodations need not necessarily be in the immediate neighborhood of the improvement. The most important work carried out during the year 1898-99 was the completion of what is known as the Boundary Street Improvement. Three blocks of dwellings costing nearly \$200,000 were erected on an area which had been covered with the worst type of slum tenements. Less than half of the area was used for building purposes, the remainder being devoted to widening of the streets and the construction of a public square. The building erected contained accommodations for 808 persons in tenements of six rooms, 9 of four rooms, 74 of three rooms, and 67 of two rooms. Five other blocks of tenements have been begun. The total cost of each will be nearly \$400,000. They will provide accommodation for 1,636 persons in self-contained tenements, of which one is of five rooms, ten of four rooms, 117 of three rooms and 211 of two rooms.

The number of persons who were displaced in this area was 5,719. Under the plan approved by parliament the county council was required to provide accommodation for not less than 4,700 persons. As a matter of fact, rehousing conditions had been planned for 5,524, which is only 195 less than the number displaced and 824 more than the scheme requires. In addition to this 18 stores and 77 workshops have been provided. The 5,524 persons will be accommodated in 1,069 tenements, making an average of 5.168 persons per tenement. The distribution of these tenements are as follows: One-room tenements, 15; two-room tenements, 541; three-room tenements, 400; four-room tenements, 103; five-room tenements, 7; six-room tenements, 3.

In its report the committee says: "The buildings are so arranged that nearly every room commands a pleasant outlook. Every habitable room enjoys a forty-five-degree angle of light, both horizontally

and vertically. The entrance avenue is sixty feet and the principal streets fifty feet wide. All of these will eventually be paved with asphalt. The paving of the streets on the northern half of the area is nearly completed, while that of those on the southeastern portion is in progress. The cost of these paving works will be about sixty-five thousand dollars. There are three public gardens of an aggregate area of nearly three-fourths of an acre. Washing accommodation is only provided in two of the blocks. For the remainder, a central laundry has been built containing 42 troughs, 42 drying horses, 3 centrifugal wringing machines, 3 box mangles and 1 roller mangle. Behind the laundry is a small annex containing 12 hot and cold slipper-baths and 1 cold shower-bath, and over the laundry are two club-rooms for the use of the tenants. Interest and sinking fund upon the capital cost of this laundry form a charge upon the various buildings. A general bakery is also provided on the area. During the progress of the reconstruction of the area the cost of building has considerably increased. The London Building Act, 1894, has increased the thickness of walls, changed the slope of the roof, etc. From May to July, 1896, the wages of all the skilled trades were increased one cent per hour, and this was followed, on the first of June, 1897, by a similar increase in the wages of the laborers. The cost of materials has risen very considerably, especially bricks, Portland cement, steel joists, slates, lead and zinc. Further increases may be anticipated from the Workmen's Compensation Act and the new drainage by-laws. In spite of this, however, it is anticipated that, after payment of interest on the capital at 3 per cent, and provision for a sinking fund to replace the cost of land and buildings within terms varying from fifty-two to sixty years, no charge upon the county rate will be involved. The dwellings are at present managed by a superintendent, who is in direct communication with the valuer's office, and who is assisted by caretakers. These latter occupy their tenements rent free, and have an allowance of gas, and generally a small weekly payment in addition. The rents are collected by collectors in the comptroller's department, and on a rent roll of \$60,169.97 for the past year the loss of rent amounts only to \$365.98, or 6 per cent. The committee have under consideration the question of the possibility of more economical management by a closer combination of the various duties required, and hope shortly to be able to report on the matter."

*Drainage.* The annual report of the Main Drainage Committee of the London County Council gives some interesting facts concerning experiments with sewage filtration. During the past year the committee has been conducting investigations into the practicability of treating the sewage of the metropolis by means of filtration through coke beds. In speaking of the plan the committee says: "Such system is really

in vogue in many of the large provincial towns, but as London sewage is of a special character, containing manufacturing refuse of greatly varied descriptions in addition to the ordinary house drainage, considerable experience has to be obtained as to the best method of constructing the coke-beds, and as to the quantity of sewage that can be dealt with without causing foulness in the filter. Small experimental coke and Kentish rag-stone filters, varying in depth from four feet to twelve feet, have been in use for some time at the Barking and Crossness outfall works, and a portion of the filtrate is subjected to a second process of filtration. The results hitherto obtained show that the filters can remove the whole of the suspended matter from the crude sewage, as well as over 50 per cent of the dissolved oxidizable and putrescible matters. The filtrate thus produced remains free from objectionable odor when it is kept in open or closed vessels, provided the bacteria present in it are not removed or killed by special subsequent treatment. Gold fish and dace have lived for months in the first filtrate from the coke beds, and it is believed that they would live and thrive in this liquid for an indefinite period. One of the main objects in view in conducting these filtration experiments has been to ascertain the effect of filtration on the number and nature of the bacteria present in the raw sewage, and the services of a bacteriologist have therefore been retained for a further period to make the necessary investigation. Dr. A. C. Houston, who has been engaged for this work, has already issued a report dealing with the number and kind of bacteria in the sewage as it arrives at Barking and Crossness. Dr. Clowes, the council's chief chemist, has also, in conjunction with Dr. Houston, prepared a further report on the whole of the experiments, and the results obtained, both from a chemical and bacteriological aspect, are fully dealt with. So far the bacteriological examination of the filtrate goes to show that filtration through coke does not, by any means, remove the bacteria from the crude sewage, and does not materially reduce the number. The presence of many of the bacteria in the effluent is found to be not only unobjectionable, but necessary for the purpose of completing the purification of the effluent after it has flowed into the river."

*Parks and Open Spaces.* The report of the Committee on Parks and Open Spaces contains a review of the development of the park system of London. In 1890 the number of park and open spaces under the direct administration of the county council was 40, in 1899 the number had increased to 89. The acreage had increased from 2,656 in 1890 to 3,751 in 1899. This does not include that portion of the park system under the control of the district and vestry boards, which is the most important part of the whole system. During the year nearly \$40,000 was expended for concerts in these parks.

## SOCIOLOGICAL NOTES.

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**Tenement House Reform in New York, 1834-1900.**—Under this title, Mr. Lawrence Vieller, the secretary of the Tenement House Commission of 1900, has published<sup>1</sup> the report he prepared and submitted to the commission on May 8, 1900. It begins its review of events with 1834, when Gerrett Forbes, the city inspector of the board of health, in his annual report called attention to the condition of the tenement houses at that time. The same thing was done again in 1842 by Dr. John H. Griscom, who held the same office as Dr. Forbes. Dr. Griscom also published an eighteen-page pamphlet, entitled "A Brief View of the Sanitary Condition of the City." The Association for Improving the Condition of the Poor (organized in 1843), began its work for tenement house reform in 1846, and appointed a special committee "to inquire into the sanitary condition of the laboring classes" in 1853, whose report covered thirty-two pages of printed matter in the annual report of the association. This led to a more detailed study of the Eleventh ward the next year, and to the formation of a company (1855) to build a model tenement. This company was called the "Workmen's Home Association," and put up a large building in Mott street, which later became one of the worst tenements in the city.

The work of the first legislative commission in 1856 is next described. Its recommendations for the licensing of tenements under the careful supervision of a competent permanent board of home commissioners were excellent, but remained unheeded.

The "draft riots" of 1863 called attention anew to the dangers from the tenement house population, and a "Citizens' Association" was formed, which had a sub-committee known as the "Council of Hygiene and Public Health." The reports of this council, made up of the leading physicians of the city, were so startling that in 1865 came the first legislative action. A metropolitan board of health was established in 1866, and a tenement-house law passed in 1867.

In 1877 Mr. Alfred T. White began in Brooklyn the construction of model tenements known as the "Home Buildings," and modeled on the plan of those of the Improved Industrial Dwellings Company of London. This started a new agitation, which resulted in a new and improved tenement-house law in 1879.

<sup>1</sup> New York : The Evening Post Job Printing House, 156 Fulton Street. Pp. 48.

The reform movement did not keep pace with the growing evils. Professor Felix Adler's lectures before the Ethical Culture Society in 1884 led to the appointment of a second legislative commission in that year, and, as a result, to some amendments to the tenement-house law in 1887.

Mr. Jacob A. Riis began his battle with slum conditions about this time, and by 1894 a third legislative commission was appointed to investigate and report. The Gilder report was the result, and a new Tenement House Act was passed in 1895. This act left, however, many loop holes for unscrupulous builders, and the recommendations of the Tenement House Committee of the Charity Organization Society of New York were not heeded. Therefore a new agitation was begun by holding a public exhibition in 1900 of five models, 1,000 photographs and over 100 maps, giving a very graphic picture of tenement house conditions in New York, and contrasting them with those in other cities, both here and in Europe.

In the meantime the model tenement movement through private initiative has been greatly advanced by the organization of a million dollar company known as the "City and Suburban Homes Company," with Dr. E. R. L. Gould, an able specialist in this line of work, as its executive.

The new tenement house commission of 1900 gives promise, by the ability of its personnel, of accomplishing greater permanent results than any of its predecessors.

A chronologically arranged bibliography of selected documents relating to the tenement house problem in New York accompanies Mr. Vieller's report and adds materially to its value.

**Municipal Agricultural Colony at La Chalmelle, France.**—The report of the Committee on Poor Relief of the Paris Municipal Council, presented May 31, 1899, gives an interesting account of the work done at the agricultural colony at La Chalmelle, near Paris. The report covers the fiscal year October 1, 1897, to September 30, 1898. Eighty-three unemployed were admitted to the colony for the first time and sixteen persons readmitted, making a total of ninety-nine, or about the same number as for the years 1894, 1895 and 1896, but less than for the year 1897, when there were 132 admitted. Most of these persons have little or no experience at farm work. They come from the night lodging houses and institutions in Paris and are taught the elements of gardening and truck farming, and in most cases soon become proficient enough to take places in the country, where the danger of non-employment is less than in the congested industries of the Parisian capital. By an actual investigation of the previous occupations of the 15,000 unemployed who applied for relief at the night

lodging house and elsewhere in Paris in 1897 it was found that over 6,000 were fitted for country work. This fact, if correct not only supports the contention of the superintendent of La Chalmelle that an agricultural colony is a desirable form of relief for the unemployed, but is also an interesting confirmation of the theory that probably most of those drawn from the country to the cities are unfitted for city life and likely to be eliminated in industrial competition.

Of the eighty-three new admissions at La Chalmelle in 1898 all but ten came during the winter months and had had some previous experience in the country. Of the ten who came in the summer months and represented diverse city occupations, eight left without securing agricultural employment, and two remained at the colony at the date of the report. Only fourteen of the eighty-three were natives of Paris or of the department of the Seine. The remainder had drifted into Paris from the other departments, and one was a native of the United States but of French parentage.

It is interesting to note the age classification. There is a larger percentage of young persons than would be found at the present time for example in the vacant lot farming of American cities, probably to be explained by the fact that the industrial opportunities in Paris in 1898 were fewer and the old men out of work were taken care of in other ways. Three were between 20 and 25 years of age, 22 between 25 and 30, 23 between 30 and 35, 24 between 35 and 40 and 11 between 40 and 45. The report states that it is very much easier to find places for those under forty than for those above that age.

The discipline at La Chalmelle is said to be excellent and to give no particular trouble. Four persons were expelled for repeated drunkenness and insulting conduct toward the superintendents. The colony has a library, and 878 books were loaned during the year, chiefly novels and books of travel. The cost of food per day per inhabitant of the colony was a little over one franc (1.055), the products of the farm being rated in this estimate at their market value and not at their cost of production. Out of 101 colonists who left La Chalmelle during the year 55 obtained stable employment and the year was one when the harvests were poor and the demand for agricultural labor less than usual.

The expected length of stay at the colony is four months, yet 13 found places in less than one month and 12 left within the same period; from 1 to 2 months' stay, 23 were placed and 8 left; 2 to 3 months, 8 placed and 7 left; 3 to 4 months, 1 placed and 6 left, which together with 2 expelled and 3 sent to a hospital accounts for 83 out of 101 inmates during the year. No one leaving the colony or having been expelled is readmitted. Those placed are readmitted, provided



they left their places for some other reason than merely to return to the colony, and have not returned in the meantime to Paris and have given the superintendent eight days' notice of their intention to return.

The farm of the colony comprises 260 hectares and produced 62,-216.36 francs of which the animal products amounted to 18,027.61 francs, and the vegetable products to 44,188.75 francs. The net cost of administration, etc., to the Municipal Council of Paris for the year seems to have been 34,000 francs or about \$6,000.

**The Department of Public Out-Door Relief of Paris**<sup>1</sup> has been laboring with a condition of deficit during the last twenty years, and its general budgetary report for 1900, presented by M. André Lefèvre, member of the Municipal Council and chairman of the Commission on Public Relief, gives a view of conditions not wholly encouraging.

With the exception of the year 1888 and 1889, deficit has been added to deficit, since 1884, so that at the end of 1899 the total amount was 12,500,000 francs. Economies have been attempted each year in the voting of budgets but without result. This deficit is made up by borrowing reserve funds, of which the legal limit, one-tenth the value of personal property and real estate, has almost been reached.

The budget of 1899 calls for a total expenditure of 53,000,000 francs, almost all of which is to defray expenses, which may be considered wholly ordinary and which do not look toward paying any sums borrowed to cover the deficits.

These have not been due, to any great degree, to the dishonesty of officials. Nor have conditions of bad administration mainly brought them about. They have been the result rather of the expanding demands of the work of the great, growing city. In 1848 5,000,000 francs were expended by the municipality in aids raised through taxation. In this year the amount is 23,000,000. This marks the development of the city and the city's needs.

So unsatisfactory had the financial status of the Department of Public Out-Door Relief become that M. Jules Legrand, then Under Secretary of State, in a letter addressed to the president of the Municipal Council, declared himself unwilling to undertake any new services demanded by the needs of the department, nor did he feel justified to develop further a service already begun unless the resources for its performance were assured.

The commune was the first governmental unit to assume the functions of the natural family, when the latter became unable to exercise its responsibility. As early as 507 A. D. at the Council of Tours it was commanded to care for the sick in case the family could not do so.

In the course of the centuries since the Protestant Reformation the

<sup>1</sup> Contributed by Mr. C. C. Carstens, Philadelphia.

support of charitable institutions has passed from a condition of alms-giving to that of public impost. Their autonomy has gradually disappeared and public control has grown up. During the nineteenth century the service has become more and more municipalized, and it is expected that the nation will soon relieve the municipality of the care of the aged by providing pensions for them.

Of the sources of income, that of municipal aid is growing most rapidly, while the revenue derived from personal property and real estate in the possession of the department, remains about the same.

Year.	Municipal Aid per cap. Revenue per cap.	
	<i>fr. c.</i>	<i>fr. c.</i>
1876 . . . . .	5 49	2 23
1886 . . . . .	7 82	2 54
1896 . . . . .	8 48	2 65
1898 . . . . .	8 93	2 61

This growing subsidy on the part of the municipality is urged as the strongest reason for its complete control and administration by the municipality. It is also pointed out that the teaching of history, the example of other nations, and the legislation of France itself favor this plan.

In the twenty district offices there was distributed in money or goods a sum amounting to 7,000,000 francs to 50,469 indigent families or individuals during the last year, an average of 122 francs per family or individual applicant. Among the sums expended by the department 850,000 francs were destined for pensions of the employes of the department.

The report does not hesitate to criticise the careless work of the accountants, and it demands a revision of the methods pursued. At the same time it calls for a rejection of all methods that make the demands seem smaller and the resources larger than they actually are, so that the whole work may be put upon a strict business basis in the near future.

**The Bourse du Travail of Paris** <sup>1</sup> has entered upon a new period of prosperity, after its two years of inactivity. The recent report of the labor committee of the Municipal Council and the supplementary report of the Advisory Council recommend that a sum of \$64,150 be appropriated for the expenses of this institution during the current year.

It will be remembered that in 1893 the Bourse was closed by the municipal authorities on account of alleged propagandism of socialism throughout the various labor organizations which were connected

<sup>1</sup> Contributed by Mr. C. C. Carstens, Philadelphia.

with it. In the fall of 1895 it was reopened and the number of unions has again become equal to the number associated with it at the time it was suppressed by the police.

Beside furnishing offices for the trade unions and meeting places for them, it encourages the establishment of employment bureaus connected with each trade. Where these are established in accordance with the municipal plan and are kept open six hours of the day, a substantial aid is granted. This varied from 2,400 francs paid to the stronger bodies in 1899, to 96 francs as a minimum.

This municipal liberality has not been without its dangers. To prevent trade unions from dividing up into many locals the aid is apportioned by trades, of which the various local bodies receive only their pro-rata share. Even here the enemies of trade-unionism found their opportunity to injure the efficiency of the organizations by starting large numbers of locals, each asking for its share. To prevent this, no payments are now made to unions that have not existed regularly for one full year and cannot show necessity for their establishment. The separate unions in the wards of Paris have not gained individual recognition in the distribution of the funds.

The budget for 1900 provides, besides the work previously done, for a bureau of municipal statistics, translation, and social economy. This is an experiment, but it is the design of the promoters of this bureau to bring into use information which can be collected in France, and translate monographs and reports written in foreign lands so that they may become accessible to the laboring men of Paris and other industrial centres. While the budget does not yet provide for publication, it is hoped that this may soon be taken up by the municipality.

Of 266 unions connected with the Bourse of Paris in 1899, 137 asked for municipal aid; 123 were able to satisfy the requirements of the city regarding the labor bureau, and received aid. The growth of the number of unions and of the work undertaken by them is so great that the large structure completed for the Bourse in 1892 at a cost of 2,000,000 francs, as well as the "Annex A," previously occupied, have become inadequate, and plans are already discussed for important improvements.

There are fifty-nine bourses located in the centres of industrial life of France. These are all federated by the one in Paris, so that a report, from each to all, every month, gives information concerning the number of unemployed, the demand for labor, the hours of labor and the wage scale, of each trade. It is the policy of the bourse to encourage the mobility of labor so that local demands may be readily satisfied and the wage level be maintained. To encourage this a member of one bourse seeking transfer to a bourse in another community is paid a small sum as a "viaticum."

**The International Association for the Advancement of Science, Arts and Education.**<sup>1</sup>—The initial steps toward the organization of an International Association for the Advancement of Science, Arts and Education were taken at the meetings of the British and French Associations for the Advancement of Science at Dover and Boulogne, in September, 1899. General committees were appointed by both French and British associations, the British committee including about five hundred members of the British association alone. The first meeting of the general committee was held in London in October and elected M. Léon Bourgeois as its president, with Rt. Hon. James Bryce and Sir Archibald Geike as vice-presidents, and Prof. Patrick Geddes as secretary.

A similar meeting was held in Paris at the Ministry of Education, with the result that M. Gréard, member of the French Academy and rector of the University of Paris, was elected president of the French group. M. Léon Bourgeois was nominated general president of the whole association, with M. Liard, Permanent Secretary of State for Higher Education, as general secretary. Final action on these and other nominations will be taken during the meeting of the assembly in Paris.

In America, a group has been formed with Dr. William T. Harris, U. S. Commissioner of Education, and Dr. R. S. Woodward, president of the American Association for the Advancement of Science, as vice-presidents.

The general object of the international association is to advance and supplement the progress and development of our common civilization, to record the manifold results in science, arts and education and in social improvement, and to make these more and more widely accessible, extending their educational usefulness and furthering their practical application. To this end it is proposed to institute intellectual co-operation between different countries, particularly by the establishment of a central bureau to maintain permanent relations between learned societies, scientific organizations, universities and educational establishments.

The immediate work and one which has a direct relation to the permanent office of the association is the creation of an international assembly to be held at Paris this summer in connection with the Exposition. This assembly will be in fact a great international summer school, taking advantage of the two characteristic aspects of modern expositions, the vast development of congresses, no less than that of their great material departments.

<sup>1</sup> Contributed by Chas. S. Lecky, 105 East Twenty-second Street, New York City.

The first task of the assembly is to co-operate with the international congresses held under the auspices of the French Government. A congress information bureau has been established with special rendez-vous at the rooms of learned societies and elsewhere for members of the association, to enable them to reach the resources of the Exposition; and to meet fellow-workers, French and foreign alike. During the entire Exposition lectures and conferences in different languages will be given in various halls at the disposition of the assembly. The conferences will be of three kinds; First, *leçons-guides*, peripatetic lectures given in different parts of the Exposition, and directed by professors, engineers, artists, art-critics and specialists in all departments. General conferences then will treat of the discoveries and the latest problems in science, as well as of the general movements in arts and literature, industrial and social progress, etc., and finally there will be conferences upon expositions in general, with special reference to the Exposition of 1900, its history, organization and classification.

Members will be taken round about Paris from time to time, and receptions will be held in the various halls of the assembly. Reading and conversation circles will be an attractive feature of the summer's program, while every facility will be afforded members to render their visit to Paris the more agreeable and to aid their researches and studies.

So far as general information is concerned, the preceding account may suffice; but the student, the specialist, the educationalist, may well wish, however, some more intimate account of the nature and proposed objects of the international association; while from the standpoint of the learned societies and of the universities it is naturally desirable to have the fullest understanding as to the possibilities of practical usefulness offered by the association or latent in the possibilities of an organization still necessarily somewhat undefined.

Like any individual mind, a social organization like this has a side towards thought and a side towards action. As the individual takes in his impressions through the senses, and not only records them in memory, but builds them up into concepts, so a scientific association is but an organization in which such individual activities are recorded and rendered generally accessible. A bibliography is thus a social memory, a collective brain. But as the individual mind is more than memory, so must an adequate social organization have more than its library of records, its bibliographic catalogue. It must endeavor to compare, to combine, to summarize, to interpret and to generalize. Hence the usefulness, frequently international in character, not only of publications, like the Royal Society's catalogue of scientific papers,

but of standing committees of men of science, such as are so frequently established in connection with the various national associations for the advancement of science. The good work done by the international collaboration of astronomers, or meteorologists, the progress of the metric system, the comparatively recent unification of electrical measurements, are familiar examples.

Without, of course, repeating or duplicating any work at present being adequately done, it is obviously desirable that a record be kept and made as largely accessible as possible of all the different movements toward unification and share in progress over the world of science, and that this may be not only done through individual aid or special suggestion, but gain a collective force.

The correlation of learned societies of the great universities of the world and of cultured people in general, is no mere matter of kindly courtesy, of mutual eligibility to membership or the like. It has its scientific side, for without the slightest degree seeking to limit the most complete individual freedom of investigation of all and in all directions, it must be recognized that the efficiency and eminence of an investigator largely depends upon his grasp, not only of the particular problem before him, but of the general methods and possibilities of his science, and this, if possible, through its varying outlooks at different phases of its history. Here the different treatises of the different sciences vary greatly; some magisterial in their comprehensiveness and arrangement, but all the more accurate in the placing of effects and in the spirit of their interpretation. From this standpoint the programs issued by the various congresses of the Exposition are found to vary greatly, some of the best indicating such a clear survey and such a masterly analysis of their subjects as to make investigation more orderly and discussion more relevant and practical than is often the case, even in the would-be most scientific of gatherings where no such program has been arranged; admirably suited also to the division of labor among mutually-understanding groups of specialists.

To utilize and to promote such a general survey and such practical subdivision is one of the most useful tasks which can lie before the association, and there need be no fear of stereotyping any particular program or outline, since this by the very nature of the case is always open and will find relief in every assembly.

**International Arbitration.**<sup>1</sup>—The Sixth Annual Lake Mohonk Conference for International Arbitration was held at Lake Mohonk, June 6, 7 and 8, 1900, at the invitation of the hospitable Albert K. Smiley. Like its predecessors, it was a practical body, made up of men and women of varying views as to national and international

<sup>1</sup> Contributed by Hon. Clinton Rogers Woodruff.

problems, but all united on the vital necessity of substituting international arbitration for the arbitrament of war in the settlement of international disputes. Following the policy of last year, a rule was adopted excluding references to the Philippine and South African wars, a rule which was carefully observed by supporters of the administration who were present. The more ardent anti-Imperialists, however, seemed unable to talk on the question of arbitration without bringing in references to the existing wars, although it was clearly evident that the two questions were entirely distinct. The principal address was made by Frederick William Holls, of New York, secretary of the American delegation to the Hague Peace Conference of 1899. It was a masterly presentation of the causes leading up to the conference, the discussions and the outcome. For nearly two hours Mr. Holls held the close attention of the audience, while he described the great and substantial contributions to the cause of international peace which had been worked out by a conference composed of distinguished diplomats who had come together really expecting to do no more than pass a set of platitudes which would sound well, but would mean very little.

Among the other speakers were Professor Felix Adler, of New York City; John Crosby Brown; Dr. William Hayes Ward, of the *Independent*; Theodore Sutro, New York City; Protap Chunder Mazoomdar, of Calcutta; Hon. Samuel J. Barrows, of Washington; Mrs. William S. Clark, daughter of the late John Bright; former Congressman William J. Coombes, of Brooklyn; Professor J. Rendal Harris, of Cambridge University, and Robert Treat Paine, of Boston.

Hon. Charles Mattison, former Chief Justice of Rhode Island, was the presiding officer, and Mrs. Isabel C. Barrows, Miss Martha D. Adams and Clinton Rogers Woodruff served as secretaries.

The conference adopted the following Declaration of Principles:

#### DECLARATION OF THE SIXTH MOHONK LAKE ARBITRATION CONFERENCE.

The year has been a chequered one in the history of peace. The war with Spain was concluded by the treaty of Paris, but even yet the fighting drags on in the Philippines. A still more bloody and bitter war was carried on in South Africa. These conflicts sadden the hearts of all who love the principles which this Conference advocates. Yet friends of peace need not be discouraged. These wars have given to the world a sad lesson of the folly and the danger to states, of submitting to the arbitrament of force such differences as might be settled by the arbitrament of reason.

On the other hand, the friends of peace have occasion to exult in the accomplishment of a work unparalleled in human history, by

which nearly all the nations of the world have become associated in a declared purpose to avoid war. By the labors of the distinguished members of the Peace Conference at The Hague, in which the representatives of this country had so honorable a part, there has been provided an august permanent tribunal, before which every nation can bring its differences with other Powers, assured of an impartial decision. This Conference rejoices to know that twenty-six nations have ratified the treaty constituting this international court, the United States being the first power to act. It also rejoices to be informed that the permanent organization of this great tribunal will be soon accomplished, so that it will be ready to do the work assigned to it. This union of the nations of the earth is an event of the first historic importance, fitly rounding out a great century, and giving promise of immeasurable good for the centuries to come.

This wonderful event, achieved during the past year, imperatively settles the next step which the friends of peace should take, namely, to induce this government to enter into separate treaties with all other Powers, under which all such difficulties with them as cannot be settled by the usual diplomatic negotiations, shall be referred to the international tribunal at The Hague. The reference of disputes to that tribunal is, under the provision of the treaty, now only permissive. This was as much as that Conference could well devise and recommend. What is now permissive should, so far as this country is concerned, be made obligatory. This can be accomplished by new and brief treaties with the other Powers, under the terms of which all disputes which may arise, of whatever nature, not settled by ordinary diplomatic methods, shall be referred for final decision to this permanent court of the nations. To this end, this Conference hereby petitions the President of the United States that he enter into negotiations with other Powers for such treaties, and it further appeals to the people of the United States that they create a public opinion that such treaties shall be promptly ratified by the Senate of the United States.

To the end that such public opinion in favor of peace and arbitration may be attained, this Conference recommends that public meetings be held for this purpose in the larger and smaller centres of population; and it especially urges that the blessings of peace, rather than the glories of war, be emphasized in our common and higher schools, and it particularly requests that teachers of religion shall in their ministrations, and especially at the Christmas season, urge upon their people the obligation to use all influence in their power to bring to the earth the rule of that spirit of peace and charity which sees in every race or nation brothers for whose welfare this nation has a duty as well as for its own.



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ANNALS  
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OF  
POLITICAL AND SOCIAL SCIENCE.

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POLITICS AND ADMINISTRATION.

A striking feature of the times is the sustained and concentrated effort that is being made to apply the principles of political science to the solution of problems of government presented by the working of American institutions. While in England the tendency of scientific thought is toward consideration of the objects of government and the proper exercise of its authority, in this country the tendency is toward consideration of the constitution of government itself. The work is being carried on with the thoroughness for which American scholarship is justly noted and with the attention to inductive methods which is the general trait of scientific study. This is particularly noticeable in the practical study of problems of municipal government for which the National Municipal League was organized. As one result of its labors we have a report which under the title of "A Municipal Program" makes an instructive analysis of the causes of municipal maladministration, and outlines methods of correction embodying the results of wide study. The positions taken are not beyond dispute and the princi-

ple of municipal organization recommended is energetically controverted in the work on municipal government which was the last product of Mr. Dorman B. Eaton's lifelong endeavor to promote the public welfare. The issue of "A Municipal Program," however, marks an important stage in the progress of a movement full of promise in public usefulness.

Among those who took an active part in the preparation of "A Municipal Program" is Professor Frank J. Goodnow, whose recent work on "Politics and Administration"<sup>1</sup> may be said to give the philosophical principles on which the program is based. Although the work deals with government in general, the problems which it discusses are chiefly those presented in local administration in this country, and the elucidation which it makes of the relations between local, state and national government, aims to throw light upon those causes of local maladministration which are the great reproach of our constitutional system. The work has been carefully and thoroughly done and it largely increases the debt which political science owes to Professor Goodnow's labors. Its philosophical treatment of the subject affords a basis for a consideration of the fundamental nature of the problems discussed.

In seeking the basis of the treatise we find it in a conception of the state as an entity possessing a self-conscious personality. It follows that political science deals with the expression of that personality as regards the character of the organs of expression and the mode of their action, and it is from this point of view that Professor Goodnow discusses politics and administration. But there is another point of view: the one upon which Seeley insists so earnestly in his "Introduction to Political Science," and which is systematically set forth by Spencer in Chapter XXIII of Part IV of the "Principles of Ethics." From this point of view

<sup>1</sup> *Politics and Administration*. By Frank J. Goodnow, A. M., LL. D. Pp. vi. 270. Price \$1.50. New York: The Macmillan Company, 1900.

the state may vary greatly in form, characteristics and habits, and the true province of political science is to classify the various forms and distinguish their characteristics. According to this view the archetype of the state is to be sought in such social aggregates as Messrs. Spencer and Gillen have described in their splendid anthropological treatise on the "Native Races of Central Australia." There society is seen in its rudimentary form—the food-seeking group,—within which the family originates; and there may be found specimens of the germs from which under various conditions have been developed the different types of family and political organization, and all the various forms of the state. Looked at from this point of view, the state from whose nature Professor Goodnow deduces certain governmental principles is simply one species of the state, differing from the primitive form as greatly as a vertebrate animal differs from a protozoon. Indeed, it is a species which has been formed upon the monarchical principle upon lines that strikingly suggest the development of the vertebrate type of animal organism. It is perhaps the only form of the state which develops self-consciousness and the power of giving rational determination to its conduct.

When we examine the constitutions of American government we do not find one form of the state but various forms. In its general organization the national government belongs to the species of the state which I have ventured to refer to as the vertebrate type, and Professor Goodnow's remarks on the general similarity of real political institutions hold good of states of this class, but in state and municipal government we have different species of the state, with different natures and habits. The characteristics of a state government, with its distribution of administrative functions and legislative powers among independent and separately constituted authorities, are well known to be different from those of the national government, with its integration of administrative authority; and in the various forms of municipal govern-

ment still other sets of characteristics appear. The national government has in every large community officials whose duties correspond to similar state and local officials and yet their political status is altogether different. In Mr. John Jay Chapman's work on "Causes and Consequences," he illustrates the evils in politics of what he calls "commercialism" by describing how a defaulting town treasurer is screened from prosecution by political conditions induced by the instinct of self-preservation in the management of a railroad corporation; but if the internal revenue collector, or the United States sub-treasurer, be substituted, the whole argument falls to pieces at once. Everybody knows that with everything else just as Mr. Chapman has described it, the defaulting official would be detected early in his career and prosecution would follow in due course. A state or town treasurer is safe during his term of office and comes to grief in the end only if he fails to make good when he transfers the office. A treasurer under the national government, even although in an outlying dependency, under a newly introduced system, is detected and arrested when he may have imagined that he had safely concealed his peculations. Thus we see that different species of the state are sharply distinguished in their characteristics even when closely intermingled in location.

A marked characteristic of low forms of the state is their fissiparous nature. Unless external pressure counteracts, they extend by simple fission, clans going off to other districts, developing into tribes by growth and forming new clans by partition. This characteristic became atrophied in those forms of the state which first tied man to the soil, developed primeval empire and laid the primary strata of civilization. Their organization presents such rigidity of structure and such a feebly developed nervous system as to suggest an analogy to the crustacean type of animal organization. But in all forms of the state whose development has been accomplished without extinguishing the volitional

nature of their component groups the primitive characteristic persists in new phases. Its operation is plainly discernible in the constitutional history of Greece and Rome, in which it takes the shape of migration of colonies and also in the development of political structure corresponding to divisions in the community. Roman history affords evidence of the fundamental nature of the tendency in the fact that sometimes actual fission would precede the growth of divisive political structure. A well-known instance is the creation of the office of tribune which was brought about by an exodus of the plebeians and was a concession by which they were induced to return to the community. It was because political growth in Greece never lost this fissiparous nature that Greek constitutional development tended to social disintegration and failed utterly to produce a political system able to comprehend large communities. Rome escaped like futility only by the practical instinct, probably engendered by "commercialism," which led her to preserve the imperium through all her political experimentation, and this finally developed into the principate of Cæsar and Augustus, extending through the mass of society a vertebrate principle which gave the state fixity of type and confined political growth to functional development. As compared with later forms of the state the type is stamped with inferiority from its lack of organs of inhibition qualifying the volitional activity of the state by an efficient representation of particular interests, but it was a great advance upon antecedent forms of the state and it was an intermediate form in the evolution of higher forms of the state.

When we scrutinize our own constitutional history we can trace the operation of the divisive tendency within the limits imposed by "commercialism." The constitution of the United States was an achievement of commercialism, and in its formative stages it was carefully disguised as a movement to secure better commercial regulations. The constitution re-established the same general type of government

which had presided over the historical development of the national character, but a repulsion of classes soon took place, which gradually found expression in modifications of political structure. The organization of the national government was so inflexible that in it political change took the form of functional development; but in the constitutions of state and municipal government political change took the form of structural partition, as in Greece and Rome, but with variations caused by changed social conditions and a different heritage of political habit. In the national government, local offices were brought under centralized control; in state and municipal governments a multitude of offices which had been subordinate to central authority and filled by its appointment were made locally elective, with concomitant disintegration of administrative authority. As results of these divergent processes various species of the state have been evolved, which differ widely in their characteristics, although they have American politics as their common habitat.

This conclusion, to which we are led by applying to American politics Spencer's theory of the variability of the forms of the state, possesses practical importance, for it suggests that the low proclivities of our local politics are not aberrations from the type, but are simply normal characteristics of low forms of the state, made offensive because they affront an ethical sensibility developed in a higher form of the state. This explains the fact, otherwise a mystery, that as government in this country becomes more extensive in its sphere it becomes more satisfactory in its conduct. If direct popular supervision of the conduct of government had the importance which the dominant school of reformers attach to it, municipal government should be best administered, since it comes closer to the people than state or national government, and the consequences of mal-administration are more direct and immediate in their effect. By like inference, state government should be superior to



the national government in quality of administration; but, as a matter of fact, the gradation of satisfactoriness is just the other way. And if the ideal *civitas* of the reformers could be realized we should have the lowest conceivable form of the state, whose functions being the common property of the whole mass, would be coarsely and feebly discharged, and whose behavior would have no higher control than would be supplied by the promptings of appetite or the excitements of alarm. During periods of transition, when the state is suffering the pangs which attend processes of development in its organism to conform it to the conditions of its being, the imagination is apt to glorify primitive types of the state. The famous passage in Plato may be recalled in which he made such a startling assertion of the principle that "friends have all things in common," as the basis of an ideal commonwealth. A practical realization of this ideal is found among the Australian Blackfellows, but it would not attract poetic fancy. At present our own literature is being enriched by the charming essays of Mr. John Jay Chapman, in which low forms of the state are beautifully idealized, and the school of thought of which, since Mr. Godkin's retirement, he is the leading exponent, still gives such vigor to retrograde tendencies in our politics that under a disguise of reform, class interests are able to introduce new partitions of administrative authority and additional confusions of responsibility.

Professor Goodnow's work on "Politics and Administration" is the monument of a new departure in political speculation. Although ideas and assumptions derived from a special concept of the state underlie the argument, yet in analyzing the functions of the state the different forms of state organization are discriminated, and the causes of defects of local government are traced to political structure incompatible with the administrative authority essential to the distinct formulation and expression of the will of the state. The divergence between national and state government in

the development of administrative authority is clearly explained, and the progressive centralization of administrative authority in the national government is elucidated by citations of department regulations and judicial decisions. The circumstances which give to party organization a position of such commanding influence in our governmental system are acutely analyzed, and Professor Goodnow holds that but for the office of party in connecting divisive political structure "we should have anarchy instead of government"—a conclusion which may be startling to those who have been in the habit of regarding party spirit as the bane of our institutions. An admirable example of the vigor of Professor Goodnow's thought is the chapter on "The Boss," in which he shows by analysis and comparison that the development of the Boss is a stage in the process of integration which in England has extracted responsible government from representative institutions. All the portions of the work devoted to the analysis of existing political conditions are marked by a veracity of perception that will command the respect even of men of affairs accustomed to dealing with things as they are, without concern about theories. When political science brings its propositions into accord with the facts of human nature and of practical experience in life politicians will hearken to it.

But when Professor Goodnow passes on to the consideration of remedies his grip upon the actual appears to relax. Some of the suggestions made as to methods for subjecting party agency to public control embody the very fallacies exposed in the chapters on administrative authority. The multiplicity of elective offices in state and municipal government imposes upon the general body of citizenship a task of appointment which is really an administrative function, and the effort to perform it enfeebles the function of control which is all that the general body of citizenship is naturally capable of exercising. In the national government an integration of administrative authority has taken place which

admits of a corresponding integration of control, and the spontaneous activities of the people have developed an organ for the purpose in party. But party must also produce the coalescence of the executive and legislative departments which, as Professor Goodnow shows, is essential to the efficiency of administration. Hence, to a large extent, party is an organ of administration, and this circumstance impoverishes its function as an organ of control so that it is not satisfactorily discharged. Nevertheless its operation is energetic enough to make the administration of the national government conform in a general way to the requirements of public opinion. Administrative authority in state and municipal government has been so disintegrated that there is no adequate basis for the development of an efficient organ of control. Under the circumstances it is as much as party can do to provide some sort of administrative connection among the scattered powers of government, and its capabilities as an organ of control are feebly developed in this field. Professor Goodnow points out that "if we are to have much change in our party organization, our governmental organization will have to be somewhat changed." And Professor Goodnow goes on to show that party activity has changed and is changing our governmental system. Now, one process of this change which is plainly visible to those who can observe that which is familiar, is the integration of administrative authority within party itself, and this too is noted by Professor Goodnow in his chapter on "The Boss."

It seems, therefore, to be a strange *non sequitur* when later on one finds Professor Goodnow advocating a wholesale scheme of party disintegration. The very statement of the proposition involves a contradiction in terms which should suggest its fallacy. The inorganic condition which it is proposed to create by diffusing the exercise of party function through the whole mass of party membership excludes the idea of party organization. Structure and function are correlative, and the notion that administrative capacity

and corporate responsibility would somehow survive in party after the extirpation of the organic structure with which they are associated, finds no parallel except in the case of the Cheshire cat, whose grin remained after the cat had disappeared. This portion of Professor Goodnow's treatise exhibits an irrelevancy to the premises obtained by his analysis of political conditions, which indicates some error in fundamental conceptions. Perhaps this error is the tacit assumption that the forms of the state found in state and local government possess the ethical nature of the highest known form of the state—the vertebrate type to which our national government belongs, but that this ethical nature is somehow suppressed by party organization. That is a mistake. There is no such ethical nature in those low forms of the state; whatever rudimentary ethical traits are found in them were communicated by extraneous influence and are not a natural characteristic. Inquiry into the political history of our cities will show that before party rule became firmly established they were subject to gang rule, and impartial observation at the present time will show that by so much as restrictive legislation is effective in removing municipal government from regular party control it tends to pass under gang rule again. Lower than this our politics can hardly get, for the principle of personal leadership defies all schemes of pulverizing society into atoms, and the ideal of a community without differentiation of political function in the mass of its citizenship can never be realized. Nominations to office will always be made by the few no matter how many may seem to participate, and the only open questions are the extent and the location of the responsibility.

The true method of improvement is that which Professor Goodnow points out—administrative centralization, and in proportion as the general body of citizens are relieved of the duty of selecting officials for administrative position public control over the conduct of administration will increase. This relief party is extending by converting elective offices

into mere party appointments and by so much as party management increases its power of dictation in such matters, by so much it augments its responsibility and perfects its organization as an instrument of control for public use. A marked instance of this tendency was presented during the last political campaign in Pennsylvania. Some exposures were made concerning one of the candidates for state office, endangering the success of the ticket as a whole, so that he was forced to resign, and the party leaders appointed in his place a candidate whose high merits were universally admitted. If the candidates had been grouped by offices on the official ballot instead of being offered as a party ticket the party management would have been to a large extent relieved of the responsibility, pressure upon which enabled public opinion to purge the ticket. If political arrangements were such that the candidates were nominated by the direct action of the voters themselves there would be no responsibility left whatever. If the people should really make the nominations themselves whom are they to hold responsible for injudicious choice?

It hardly requires argument to prove that the presidential election is a consultation of the mass of the people as to the general policy of the government and the objects of the administration. The people are called upon to control the government, not to administer it; and they can do the one because they do not have to do the other. But in state and municipal government the people are called upon to administer the government, and their control is proportionately defective. Popular control over the national government was impossible until party had reduced the electoral colleges to merely ministerial functions and brought the political activities of the various states into subordination to centralized party authority. Popular control over state and municipal government will be impossible until in one way or another similar integration of authority is accomplished. When state and municipal elections become simply a con-

sultation of the people upon administrative policy, as in the presidential election, then the people will acquire a real control over the government there too. The great hindrance to constitutional growth in this direction is the habit of reform in the structure of government, unsettling the type and arresting functional development.

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## THE LAW OF THE VALUE OF MONEY.

The value of money is fixed by the same laws as those which govern the value of other commodities,—the laws of supply and demand, as influenced by cost of production. The application of these laws and their interpretation is more difficult, however, in the case of metallic money than in that of other commodities, because the terms which express value are themselves terms of money. As money is the usual measure of value, and the standard with which other values are compared, it is difficult to find simple forms of expression for measuring the measure, for comparing the standard. The difficulty is made greater by the fact that the intellectual conception of value is that of a ratio rather than a tangible property. It is not possible to point to an object and say that it contains value in a definite amount, as it may be said that it possesses length or breadth or weight. The value relates to the comparison with some other object, which may be constantly changing, and is not a comparison of visible qualities, but of the intellectual conception of the utility of the object.<sup>1</sup>

The utility of diverse objects is measured by a common denominator whose units are expressed in money. When the attempt is made, therefore, to determine the value of money, the determination can only be made by comparison with some other object or series of objects, or by some general intellectual conception. Changes in demand and therefore in the utility of most commodities manifest themselves by means of prices. A diminishing demand leaves excessive visible supplies upon the market, lowers prices, and suggests the wisdom of reducing production. The case is

<sup>1</sup> "Naturally, as valuation itself is a less definite conception than the length or weight of a thing, money can measure less absolutely the value of the thing than the meter does for length or the kilogram for weight."—Beaure, *Théorie et Pratique de la Monnaie*, p. 17.

different with metallic money, since the fall in its price is expressed only in the enhanced prices of other commodities, and by reason of its high exchangeability, there never appears to be a supply upon the market which cannot be disposed of for its full value. As the condition is expressed by M. Babelon: <sup>1</sup>

“For iron, lead, copper and coal there are variable quotations in the market upon which they are offered. If they are too abundant, if their outlet is closed, if competition develops, their price falls, the manager of the mine sees his profits diminish and the marketing of his products become more difficult. If he finds he is making a loss, he is forced to abandon the mine or to await at his own risk the return of better days. Quite otherwise is the situation of the producer of the monetary metal. As he has the capacity of converting into cash of legal tender power (*à cours forcé*) all the metal which he draws from his mine, he has always an assured outlet for his products; there is neither rise nor fall for his pieces of twenty francs, whatever the number which he may have struck.”

The value of money is determined in precisely the same manner as the value of wheat, or iron, or houses. It is only the forms of expressing this value, and the differences in the character of the demand, which offer difficulties. The immediate influence which operates upon the value of money and upon the value of other things is the relation between the supply and the demand. In the case of money, changes in the demand have much more influence than changes in the supply. The supply of the precious metals over any two short intervals of time is a nearly fixed quantity, increasing in only small proportions from year to year, while the demand varies within the widest limits. The demand for money is much like the demand for wheat in the produce exchange markets. It is not a demand for consumption, but for the fulfilment of certain contracts. When business is normal and solvent, these contracts largely balance each other. An individual having contracted to pay certain sums of money, finds them offset by sums which

<sup>1</sup> *Les Origines de la Monnaie*, p. 285.



others have contracted to pay him, just as the wheat broker finds his contracts to deliver wheat offset by the contracts which he holds for the delivery of wheat to him. The situation of a bank is similar. The banker is able to calculate how far under normal conditions his contracts to deliver money will be offset by contracts for the delivery of money to him. Only the differences or margins, just as on the produce and stock exchanges, have to be settled by the actual delivery of money.

While money has, therefore, come to have in modern society a somewhat restricted use, it is an error to treat credit operations as entirely independent of money. The reaction against the mercantile theory has led some writers to lay too much emphasis upon the conception that the precious metals are only the sign and representatives of wealth and not a part of its substance. They are such a sign only in the same sense that every other commodity is a sign and representative of wealth. Every commodity or service represents the means of obtaining other commodities and services in exchange. In this sense wheat is a sign and representative of wealth in the same manner as money, because it gives command over other goods and services.

The respect in which the precious metals differ from other commodities is one of degree and not of kind. They possess the highest degree of exchangeability. Gold and silver have become in developed commercial countries the material of money by the operation of a branch of the law of marginal utility,—the law that the object most useful for a given purpose in any community will gradually exclude the use of other objects. The evolution of money began with the perception of degrees of salableness of commodities. Goods vary greatly in their degree of salability in time and space. Some must wait a long time for a purchaser before they can be sold at a fair return; others can be sold only in particular markets. Exchange of such goods for those more exchangeable was a step towards the evolution of money.

Perishable goods and those of limited consumption are "merchandise" in the sense of being readily exchangeable, only for the interval that they are in the hands of the dealer. "Money," says M. Favre, "consists at the beginning in objects which might become merchandise. Its mobility is beyond doubt, but that which distinguishes it in a decisive manner from merchandise is the character (admitted in theory, if not a reality) of perpetual movement and absolute mobility,—which exists of itself and not for a transitory period."<sup>1</sup> In the natural contest for such a service the precious metals prevailed by a process of economic selection thus described by Professor Menger:<sup>2</sup>

"With the extension of traffic in space and with the expansion over ever longer intervals of time of provision for satisfying material needs, each individual would learn, from his own economic interests, to take good heed that he bartered his less salable goods for those special commodities which displayed, beside the attraction of being highly salable in the particular locality, a wide range of salableness both in time and place. These wares would be qualified by their costliness, easy transportability, and fitness for preservation (in connection with the circumstance of their corresponding to a steady and widely distributed demand), to ensure to the possessor a power, not only 'here' and 'now,' but as nearly as possible unlimited in space and times generally, over all other market goods at economic prices. And so it has come to pass, that as man became increasingly conversant with these economic advantages, mainly by an insight become traditional, and by the habit of economic action, those commodities, which relatively to both space and time are most salable, have in every market become the wares, which it is not only in the interest of every one to accept in exchange for his own less salable goods, but which also are those he actually does readily accept."

Money has attained its present position as a tool of exchange by a process of evolution from less exchangeable commodities. It was, as Professor Menger declares, "the spontaneous outcome, the unpremeditated resultant of particular, individual efforts of the members of a society, who

<sup>1</sup> *La genèse de l'argent*, in *Revue d'économie politique*, April, 1899, xiii, 362.

<sup>2</sup> "On the Origin of Money," in the *Economic Journal*, June, 1892, ii, 248.

have little by little worked their way to a discrimination of the different degrees of salableness in commodities." Modern political economy tends more and more to appreciate such evolutions rather than to apply abstract standards in the judgement of past ages. It is not surprising, in view of the universal exchangeability of gold and silver, that they were considered, at the dawn of modern commerce, when paper titles were less secure than at present and credit had not reached its full development, as the most desirable form of wealth. As Professor Ingram expresses it, "The old feudal economy, founded principally on dealings in kind, had given way before the new 'money economy,' and the dimensions of the latter were everywhere expanding."<sup>1</sup> Money was for the individual the highest form of wealth, and by a natural error the mercantilists regarded it as the great object of national accumulation. It remained for the modern age to fully accept the view that money, while the most exchangeable form of wealth, is by that very fact the tool of exchanges and not their object. The progress of civilization has developed methods of exchange which have superseded in a large degree the necessity for coined money. But so long as substitutes were not equally efficient, money possessed the pre-eminent qualities thus described by Mr. Smart:<sup>2</sup>

"Money is the universal commodity; it is the one thing which everybody wants, and of which no one ever has enough; for, in promise and potency, it is almost everything else. Like all tools, it is not desired for itself, but for what it can do. The name which best conveys this is that of 'third commodity,' meaning by this the commodity interposed between the commodities or services which are the real objects of exchange; interposed, for instance, between the goods we make in order to sell and the goods we desire in order to consume."

<sup>1</sup> "A History of Political Economy," p. 38.

<sup>2</sup> "Studies in Economics," p. 145. Mr. Smart contends that money possesses a character which does not justify its dismissal as a "mere commodity," but with the proper understanding of its use, it is not apparent why the term "commodity" is not applicable.

It is the power of universal exchangeability, almost unlimited in time and space, which makes the precious metals ardently sought in preference to all other goods on special occasions. They have no such preference on ordinary occasions. The man of intelligence who has money does not hoard it in the form of gold and silver. He converts it into consumable goods or productive capital. The contracts which he holds for the delivery of money to him he is willing to deliver to his bank in return for other similar contracts, which he employs to obtain commodities and which are cleared against many other such contracts by the mechanism of modern credit. The value of money, in the sense of its rental value, is less than that of almost any other commodity. A man who has a special use for it in normal times obtains it for two, three, four or six per cent,—a much less rate of profit than is expected from the use of any other capital. It is when the relations between money and other commodities are changed by the abuse of credit that the money market approaches the condition of the produce or stock markets, when many dealers have sold "short" and are unable to obtain the commodities necessary to fulfill their contracts. Such conditions arise in the money market in times of panic, when every man seeks to compel the execution of contracts for the delivery of money to him, and seeks to obtain delay in the enforcement of his contracts to deliver money.

The true law of the value of money is derived from its requirement for the specific uses of settling balances and supplying the medium of small transactions. The value of money has only a remote relation to the whole volume of transactions in normal times. Even when conditions are abnormal,—when a general economic crisis has invoked a panic in the money market,—many instruments of credit continue to supplement the demand for money. Private credit may be so much impaired that the promise of the individual merchant is refused, but so long as confidence

remains unimpaired in banking credits, whether in the form of notes or checks, they supplement the supply of metallic money.

There are two forms of stating the demand for money, both of which relate directly to the question of supply and demand. The simplest meaning of the term, "the value of money," is that of the classical economists, who viewed value as the relation between money and the price of commodities. Money was considered as having an increased value when a given volume exchanged for more goods and a diminished value when it exchanged for fewer goods. A high value for money was translated into low prices and a low value for money into high prices, because in the former case less money was required to obtain a given article and in the latter case more money. The value of money was thus properly defined in its direct relations to other goods.

The "value of money," as used in the money markets, has a different sense, but a sense not without scientific justification. Value in this sense is the price of the rental of money, and it is for rental that money is usually required. A high value of money in this sense means that the discount rate at which money can be borrowed is high; a low value means that the discount rate is low. A high value indicates that the supply of money is small in proportion to demand and a low value that the supply is large. Such conditions tend to affect the value of money in the other sense,—its exchangeability for goods,—but the value in the sense of the rental price is much more sensitive than the value in the sense of command over goods. The rental value of the money, considered as a tool of exchange, has become, in mod-

<sup>1</sup> Professor Pantaleoni makes the proper distinctions and assigns a descriptive name to each form of value. "We must, therefore, avoid confusing the *value of money*, or its power of exchange, with the *Value of the Use of Money*, or rate of discount. But still more must we guard against confusing the value of money and discount with *interest, i. e.*, the Value of the Use of Capital."—"Pure Economics," p. 227, n.

ern markets, the barometer of changes in the monetary supply. These changes in the long run react upon the power of money to purchase commodities, but they act more slowly.

The normal demand for money, therefore, as a tool of exchange, is indicated by the discount rate. Changes in the discount rate attract money for the special purposes for which it is needed by brokers and bankers, who have contracts to deliver money which they may be called upon to fulfill. Money often shifts back and forth under the attractions of changes in the discount rate without seriously affecting goods or their prices. It is only when the demand for money is the symptom of deeper economic disturbances,—in the misapplication or increased demand for circulating capital,—that changes in the discount rate are followed by changes in the value of money as measured in commodities. The two influences often accompany each other, but they are not inseparable. The rate of interest is the measure of the rental of capital, and it may happen that an increase in the supply of money is not accompanied by high prices nor low interest rates. As Mr. Beaure declares:<sup>1</sup>

“The rate of interest was sufficiently high in the period from 1850 to 1860, when money became so abundant by the influx of the gold of California and Australia; it was on the contrary, very low in Western Europe during the period 1882-92, although the production of gold, the only actually effective money of the rich nations of Europe, was considerably restricted.”

The rate of interest in these cases comprehended the charge for the rental of capital as well as the incidental demand for the rental of money, and the demand for capital was large in the first instance in proportion to the supply and smaller at the later epoch. The conditions under which changes in prices of goods respond in a marked degree to changes in the volume of money are those of an economic crisis.

<sup>1</sup> *Théorie et Pratique de la Monnaie*, p. 33.

Examination of this demand, when it affects a whole community, will show that it is of a somewhat abnormal character. The reduction of prices which occurs at the time of an economic crisis is not due to trifling changes in the volume of metallic money in the country, nor even to a change in the volume of credit money directly proportioned to the metallic reserves. It is due to the derangement of the ordinary mechanism of credit and constitutes to a considerable extent a demand for money for hoarding rather than as a medium of exchange. The demand for money as a medium of exchange would naturally be greatly diminished by the cessation of commercial activity, but the demand for hoarding creates the seeming paradox that a country absorbs the largest volume of money when prices are most rapidly falling.<sup>1</sup>

The distinction between the regulation of the movement of money by the discount rate rather than by the prices of commodities is a fundamental one. It is something more than the mere intervention of the discount rate as an intermediary between money and prices. The difference is fundamental, because of the distinction between money and capital. The discovery that money is a commodity, differing in only a few respects from other commodities in the market, has led some economists to endeavor to wipe out the distinction between the money market and the market for capital.<sup>2</sup> But looking to the function of money as a tool, like a freight car or a canal, it is apparent that the movements of money may be distinct from the movements of capital. In other words, there might be a demand for the tools of exchange

<sup>1</sup> M. Marcel Mongin points out the absurdity of the cruder view of the quantitative theory in the observation: "It logically follows that periods of commercial activity are of a nature to lead to a fall of prices, while periods of crises, when exchanges are few, when all industrial life relaxes, should coincide with a general rise of prices,—which is precisely the contrary of the reality."—*Revue d'économie politique* (February, 1897), xi, p. 150.

<sup>2</sup> Professor Leroy-Beaulieu, for instance, has deliberately adopted the title "Market for available capital" (*Marché des capitaux disponibles*), as caption of one of the departments of *L'Économiste Français*, instead of the expression "The money market," used in most English journals.

when there was a surplus of the objects of exchange, or there might be a surplus of the tools when there was a scarcity of the objects.

Money, therefore, has a distinctive function as a commodity, for which the demand in proportion to the demand for other commodities may sometimes be large and sometimes small. But this demand for money is capable of subdivision. It is one of the common errors of writers on monetary subjects to treat the demand for money as though it had only one form,—a demand for consumption. The subject is discussed, consciously or unconsciously, as though an exchange of money for goods by an intending consumer of the goods withdrew the money permanently from the market as it withdraws the goods. The fact is overlooked that those who receive money do not receive it for consumption, but only for exchanging it again for other goods.

There is a marked difference between exchange for consumption and exchange to sell again, even in the case of goods. Exchanges of goods may be separated into two classes,—exchanges by dealers between each other and exchanges between dealers and consumers. The existing stock is not reduced by exchanges between dealers. It is doubtful whether the value of commodities would be increased by frequent exchanges of this sort, if it was obvious that there was no increase in the demand for goods for consumption. What complicates the problem in regard to goods other than money is the fact that it is a real or anticipated demand for consumption which usually stimulates the demand for their exchange. The increase of the demand for goods for consumption increases the demands of the retailer upon the jobber, of the jobber upon the wholesaler, and of the wholesaler upon the manufacturer. What might occur if these demands were not demands for consumption is indicated to some extent by the produce exchanges and the stock exchanges. Securities are not consumed when they change hands. Many thousands of shares are bought and sold



without withdrawing them from the market. Changes in price occur as the result of increased earning power in the property which they represent or events which may affect this earning power. But if these influences are eliminated, it is doubtful if the purchases and sales between brokers affect the price in any such degree as purchases and sales by permanent investors, which may withdraw the securities from the market.

The demand for money in the form of an offer of goods is a demand from dealers rather than from consumers. There is, however, a form of consumptive demand for money, in the sense of its withdrawal from the market, which exercises a strong influence on its rental price and which sometimes reacts upon its value as measured by purchasing power. Such a demand increases when a general sense of prosperity prevails. When the volume of exchanges increases, the ordinary effect is an increase in the stocks of money held as tools of business, for every man will generally enlarge his balance of cash on hand if his business increases materially. The effort to enlarge these stocks of money,—their withdrawal from the market to hold aloof as a tool of business,—tends to raise their value. But it is *only* the effort to *enlarge* the stocks—it is not the maintenance of the stocks at a given size nor the mere exchange of them for goods—that has a tendency to raise the value of money, because neither of these latter processes involves the withdrawal of any money from the market. ✓

Even this demand does not destroy the money in perpetuity as food is destroyed by being eaten, nor convert it into forms unavailable for exchange, as iron is converted by being built into a bridge or a warehouse. The money exists in a salable form, ready to be drawn into the market if a sufficient bid is made for it through discount rates or the prices of goods. The other form of the demand for money, for carrying on exchanges, has very little of the nature of a consumptive demand. It is only a demand for the use of

money for executing a contract to deliver money. In the money market, as on the produce and stock exchanges, such contracts are rarely enforced. When they are enforced in the case of money, it is because other articles have lost some of their exchangeability. Money then has a high value in its proper capacity as a tool of exchange.

As a tool of exchange, like freight cars or highways, there may readily be a limit to the amount of money which may be profitably employed in a community. The fable of Midas, perishing amidst his wealth, because his wish had been gratified that everything he touched might be turned to gold, shows that even the ancients appreciated the essentially subordinate character of money in gratifying human needs.<sup>1</sup> If the community required every year \$100,000,000 in gold for carrying on transactions, and the gold were consumed in the process of making exchanges, a constant supply of not less than \$100,000,000 would be necessary to maintain existing conditions. But in fact the pre-existing gold is not consumed, but remains in the community ready to do its old work, just as a freight car remains available for a new load, after discharging its last one. Transactions of hundreds of millions of dollars are made over and over again by the use of the same coins of gold and silver, which performed similar transactions the year before, ten years before, and even a century ago. The pieces of gold may be remelted and restamped, but the physical gold remains the same in its character and quantity, except for the small percentage of loss due to wear and tear.

Silver and gold, therefore, differ from most circulating capital in this respect,—that for monetary uses they are not produced to be consumed, but only to be employed. Money engaged in carrying on transactions does not disappear with the consummation of the transactions. If such transactions

<sup>1</sup> Plato and Aristotle even went beyond the fact and assumed that any article declared by law to be the medium of exchange would serve the purpose. Aristotle declared that silver had value by law and not by nature,—V. Souchon, *Les Théories Économique dans la Grèce Antique*, p. 111.

multiply, it does not necessarily follow that the necessity for money has increased. The rule governing the matter is thus laid down by Professor Arnauné:<sup>1</sup>

“ The demand for the precious metals for the making of money is naturally governed by the needs of the circulation. When transactions multiply and quicken, a greater quantity may be required of that instrument for moving wealth called money, just as a greater number of vehicles may be required to assure the transportation of material things. Nevertheless, a considerable increase may happen in the business of a country without an increase in the demand for the precious metals for coinage in the same proportion or even to a notable extent. It is even possible that the demand may diminish. It may be possible to provide for the needs of the circulation by means of other instruments of exchange, like bank bills, checks, and in general all negotiable or transferrable securities.”

Ricardo laid down the rule that “ gold and silver, like all other commodities, are valuable only in proportion to the quantity of labor necessary to produce them, and bring them to market.”<sup>2</sup> This rule, that value is determined by cost of production, must in the end affect the production of every commodity, but is a rule of much slower and less traceable working in the case of money than with other articles. The immediate exchange value of articles in the market is determined by demand and supply. In the language of an English student of monetary problems:<sup>3</sup>

“ The position of a commodity in the scale of value is the outcome of a comparison between the demand for it and its supply. Which of the two contributes the larger share to its value depends, chiefly, upon the nature of the commodity. The value of a perishable commodity, such, for example, as fish, or even grain, the demand for which varies within narrow limits, fluctuates in prompt accord with the fluctuations of the supply. When, like the precious metals, a commodity is practically imperishable, its stores act as a distributing reservoir and its

<sup>1</sup> *La Monnaie, Le Crédit, et le Change*, p. 19.

<sup>2</sup> “ Principles of Political Economy,” p. 340.

<sup>3</sup> Memorandum by Mr. R. B. Chapman, C. S. I., Secretary to the Government of India in the Department of Finance and Commerce, submitted to the Indian Currency Committee. Fifty-third Congress, Sen. Misc. Doc. 23, 650.

value fluctuates with the level of the reservoir, and is but slightly, if at all, affected by the supply, the volume of which bears a constantly diminishing proportion to the reservoir which it feeds. In these cases it is the demand which chiefly governs the value, the supply being always an offer, and, under ordinary circumstances, practically free from fluctuations."

Cost of production becomes a factor in determining value when the supply of any article becomes so far excessive as to reduce the value in exchange below the cost of production. Production may then be arrested and the supply reduced, with the ultimate effect of raising the exchange value of the supply in the market.<sup>1</sup> This time comes in the case of gold and silver when the increased cost of machinery and labor make unprofitable the extraction of the precious metals from the poorer mines. Such mines may then be abandoned and production diminished. Production will be stimulated again as the diminution of the supply makes it unequal to the demand and raises the marginal value as expressed through the discount rate or through prices. Such influences have been felt upon the production of gold and silver on several occasions. Gold acquired increased purchasing power by changes in the cost of producing goods which followed the nearly complete equipment of the great civilized countries with the machinery of production and exchange about 1870.<sup>2</sup> The cost of mining fell and the efficiency of mining machinery was increased. This meant that more gold could be produced than before by the same expenditure of labor and

<sup>1</sup> It is stated that "production may then be arrested," rather than that it actually is arrested, because of the many cases under modern industrial conditions where manufacturing is continued without profit or even at a loss. As expressed by Mr. David A. Wells, "Examples are familiar of joint stock companies that have made no profit and paid no dividends for years, and yet continue active operations. The shareholders are content if the plant is kept up and the working capital preserved intact."—"Recent Economic Changes," 73.

<sup>2</sup> It should be noted that the decline in the cost of goods was not merely a decline in price as measured in money, but that less labor was required to produce a given product as the result of the increased efficiency of machinery. *Vide* "The Economic Basis of Imperialism," by the present writer in *North American Review* (September, 1898), clxvii, 330.

capital. Not only could more gold be produced, but it had the power of purchasing more commodities, because of their fall in price through increased facility in their production. The case was different with silver, because its marginal utility as a medium of exchange was less than that of the more compact and transportable metal, gold. The operation of value upon silver production was that described by Mr. Smart:<sup>1</sup>

"After 1873 mine after mine was abandoned, although the ores were as rich and the reefs as plentiful as ever. What was the cause? Simply that silver was discarded as currency in certain countries; that is to say, silver fell in the estimation of great communities, and the loss of value was carried back till the price realized by the virgin silver was not enough to pay for the mining of it."

The usual operation of changes in the volume of money upon the discount rate and the manner in which they may finally affect the prices of goods is set forth by Professor Hadley thus:<sup>2</sup>

"If there is a temporary deficiency of the money reserve, those who have not provided themselves with adequate means of making payments will try to make use of the gold of individuals or nations who have provided themselves with a slight margin above their immediate wants. This they will do by offers of more than the usual rate of interest on short time loans. If this high rate of interest on short time loans lasts so long as to neutralize the profit obtained from holding capital in other forms, people will try to sell their goods and securities in order to get gold. This will diminish the price of goods and increase the purchasing power of gold. This change will usually cause some gold to be imported from other countries, and some to be withdrawn from the arts for conversion into coin. Under a free coinage system this process will continue until the stock of gold available for use in the arts has become so reduced and the stock of coin so increased that the marginal utility of an ounce of gold used in the arts is as large as the marginal utility of the things which an ounce of coined gold will purchase. The converse case of excess in money reserve shows corresponding effects. If it is temporary, the rate of commercial interest on short time loans falls lower than that on industrial

<sup>1</sup> "An Introduction to the Theory of Value," p. 67.

<sup>2</sup> "Economics," p. 209.

investments. If it is local, it operates to send gold coin away from the place where it is redundant, for the sake of obtaining higher prices somewhere else. If it becomes universal, it causes gold coin to be melted down for use in the arts, until the diminishing utility of an ounce of gold bullion and the increasing utility of the things purchased by an ounce of gold coin reach a common level."

This exposition of the true character of the demand for money,—for settling balances where contracts for money are not cleared against each other for goods,—permits an impartial examination of one of the controverted subjects of monetary science,—the quantitative theory of money. This theory, as defined by Mr. John Stuart Mill, is that "the value of money, other things being the same, varies inversely with its quantity, every increase of quantity lowering the value, and every diminution raising it, in a ratio exactly equivalent."<sup>1</sup> How this ratio is maintained, Mr. Mill states thus:<sup>2</sup>

"As the whole of the goods in the market compose the demand for money, so the whole of the money constitutes the demand for goods. The money and the goods are seeking each other for the purpose of being exchanged. They are reciprocally supply and demand to one another."

It is fair to say that Mr. Mill limits this law to "a state of things in which money, that is, gold or silver, is the exclusive instrument of exchange, and actually passes from hand to hand, at every purchase, credit in any of its shapes being unknown." Within these narrow limits, the value of money might vary "inversely with its quantity," but this would be the case equally with wheat or skins. They would vary in exchange value inversely as their quantity, if all changes in demand were excluded and if their holders were compelled to deliver up the entire amount of them for

<sup>1</sup> Mr. Mill admits that "rapidity of circulation" is an important element in determining the purchasing power of money. He lays down the proposition that "the quantity of money in circulation, is equal to the money value of all the goods sold, divided by the number which expresses the rapidity of circulation."—"Principles of Political Economy," b. iii, ch. viii, par. 3. (ii, 32).

<sup>2</sup> "Principles of Political Economy," ii, 30.

fixed quantities of other commodities. The error of conclusions based exclusively upon the law of the quantitative value of money is that it takes no account of other economic laws, which are inevitably set in operation by changes in the quantity of money available for exchanges.

The elevation of the quantitative theory of money to the rank of the one law exclusively dominating its value is opposed to the law of marginal utility, which is one of the most important laws affecting the employment of money. It is this law which makes it impossible that other conditions should remain the same when the supply of money is increased or diminished. The quantitative theory, when too rigidly applied to practical conditions, seems to assume that the whole demand for money is shut within a single market, in every part of which the relation of money to other things is the same. This is far from being the case. If new gold comes to a community already well supplied with the tools of exchange, it becomes surplus gold upon the market, available for increasing bank reserves and operating upon the rate of discount, but not transfused into the previously existing stock of money with the result of raising prices in the ratio of the increased quantity.<sup>1</sup> What has usually happened to this gold,—what happened notably after the Californian and Australian gold discoveries,—was that it went to communities where the existing currency supply was insufficient.

Slight changes in prices contribute to increase the ability of ill-equipped communities to acquire gold, by giving them a slightly larger surplus capital, which they could afford to invest in the tools of exchange, but such changes

<sup>1</sup> This fact exposes the defect of the precise mathematical reasoning of Professor Walras. He admits that "from one moment to another all the elements of the problem are modified," but maintains that at a given moment, other things being equal, if the quantity of money increases or diminishes, prices will rise or fall in proportion.—*Théorie de la Monnaie*, p. 46. But throughout his reasoning the fact appears to be ignored that all the new money is not at once offered against all the goods offered in exchange for money.

in prices are far from having a fixed mathematical ratio to the new supplies of gold. Money is highly necessary in an organized community, but it is not so necessary as food, clothing, and shelter. The law of the relative utility of money and other objects, operating through the discount rate as well as the prices of goods, usually results in the retention of the goods in preference to the money by communities which have little surplus capital for investment in the medium of exchange. This being the case, it is doubtful whether the value of the metals responds as promptly to local changes in the supply as the value of more necessary articles, like corn and wheat.

The too exact application of the quantitative theory in historical comparisons is based upon the erroneous assumption that money economy,—the use of money and of credit expressed in terms of money,—prevails to an extent absolutely uniform throughout the economic world. This is far from being the case. Comparisons in the value of money at different periods cannot be made without taking account of the narrow field for the employment of money in early ages. There was no effective demand for money, when the peasant was not free to change his abode, when he paid rent measured in kind rather than in terms of money, and when he never had opportunity to use money in organized markets. A large increase in the money supply, such as occurred after the discovery of America, and again after the opening of the Californian mines, was not spread in a uniform manner over the communities then using money, but having become a cheaper and more abundant tool of exchange than before, gradually found a new market in communities which had not formerly been able to avail themselves of such a tool at all. There is a wide difference between modern money-using communities and the conditions of the latter days of the Roman Empire, or any period of the middle ages, even down to the middle of the present century, which vitiates rough and ready calculations of the



changes in the value of money due to the changes in the quantity.<sup>1</sup>

When the additions to the stock of metallic money are large and permanent, they act finally in some degree upon prices, but this action cannot be exactly measured by any rule of mathematics, and is often less potent than many other influences which affect commodities. It requires, in the language of Professor Leroy-Beaulieu, "a very long time for the increase of the money supply to traverse all the channels of circulation and produce a general and uniform elevation of the level of prices."<sup>2</sup> The ordinary commercial movements of money are determined by the special demand for it as a tool of exchange, and through the mazes of these movements the quantitative theory is a confusing and often misleading guide. Professor Hadley well expresses the truth on the subject when he says that, under a system of free coinage of the standard metal, changes in the quantity of money<sup>3</sup>

"Are *at once a cause and effect* of changes in general price level. If we have to choose between two ways of looking at the matter, there is in the majority of cases less error in treating them as an effect than as a cause. The amount of production and coinage of gold is so far affected by changes in the general price level that it tends to adapt the supply of money to the demand and mitigates changes in general prices far oftener than it causes them."

The notable cases of a visible influence of the supply of the precious metals upon prices have been the additions to the supply which took place in the sixteenth century and

<sup>1</sup> "Unless an object is more or less within your range and reach, this effective demand cannot exist. In a condition of natural economy,—the condition which was dominant in Europe so far as the masses of the population are concerned from the fifth to the fifteenth century,—money could not be an object of effective desire; for most men it was practically out of reach altogether. Monetary movements there were, but they did not touch the ordinary routine of peasant life; and hence it is impossible to use money in any way to measure what their condition and requirements were."—Professor W. Cunningham, *Quarterly Journal of Economics*, July, 1899, xiii, p. 382.

<sup>2</sup> *Traité d'Économie Politique*, iii, p. 151.

<sup>3</sup> "Economics," p. 198.

again after the discovery of the mines of California. But on neither of these occasions did the value of money in exchange vary in "a ratio exactly equivalent" to the increase of the supply. Prices rose in a marked ratio during the sixteenth century. The influence of the new gold and silver was not felt in England, according to Adam Smith, until about 1570, but from that time prices rose so rapidly that within seventy years fixed incomes had shrunk 75 per cent in their power of commanding the means of living. Mr. Jacob computed the increase in prices at the ratio of 470 to 100. When the great outpouring of the California mines took place, many economists anticipated another rise of equal proportions. Mr. Jevons wrote a paper as late as 1863, in which he predicted that the depreciation in the purchasing power of gold would cause a rise in prices of from 40 to 50 per cent. When the new gold had produced its full effect and had become again more valuable than silver at the coinage ratio, Mr. Jevons reviewed the ground he had traversed in 1863 and reached the conclusion that the rise of prices due to the increase of the gold supply was only between 6.76 and 16.2 per cent, and averaged about 10.25 per cent.<sup>1</sup>

The discussion of the value of money as a tool of exchange has proceeded thus far upon the assumption that money is free to move from market to market under the attractions of the demand, as expressed primarily through the discount rate, and that the supply is limited only by the world's existing stock and by the cost of production. This is the normal condition where the standard metal can be converted without limit into coins. Money may then be absorbed by hoarding

<sup>1</sup> *Vide* an article by the author, "Effect of the New Gold upon Prices," *North American Review*, November, 1897, p. 540. M. Block seems disposed to deny that the effect of the new gold was quantitative in any degree. He says, "Prices rose without doubt during this period, but as much by the activity of the demand for merchandise (the competition of buyers) as by the abundance of the precious metals. It is because the demand has become less active since the creation of an immense plant (*outillages*) that prices have fallen since 1880."—*Les Progrès de la Science Économique*, ii, p. 48.

and by an enlarged demand for current use, but it cannot be cornered in one market without producing an inflow, under the stimulus of increased discount rates, from every other market where the metal is found. The case is otherwise when an article of special character and limited supply is made by law the sole legal tender for the payment of debts. This endowment of government paper or of coins restricted in amount with the legal tender quality has a limited potency which has puzzled some economists. The reason is that they fail to apprehend the nature of the demand for money. Contracts to deliver money in countries having a depreciated standard are usually expressed in this standard. The demand for the legal tender money is measured, as in the case of gold, by the amount required to settle balances which are not settled by clearings. But in this case the supply is limited. So long as it remains limited, other things being equal, the money will have a value determined almost wholly by the demand for it. The manner in which the law of supply and demand operates in such cases is thus defined by Professor Leroy-Beaulieu:<sup>1</sup>

“This phenomenon will not be in opposition to the character of merchandise which belongs to money. The money under consideration will be sought because it will be useful in exchanges and it will be difficult of acquisition because it will be limited in quantity. It will be equal in value to gold from the combined operation of these two causes,—the need for it and the difficulty of obtaining it. It will take a place in that large class of articles, already spoken of in treating of value, which, being no longer capable of reproduction, have a value dependent,—not upon their cost of production, which relates only to the past, but only upon supply and demand. The demand in this instance will be represented by the need for this money for transactions and the supply will be limited, by the hypothesis, or will increase only in proportions and according to rules fixed and known in advance.”

The operation of the law of limited supply upon the value of coins has been illustrated in a remarkable manner since the depreciation of silver bullion during the last two decades.

<sup>1</sup> *Traité d'Économie Politique*, iii, p. 133.

The closing of the mints of the countries of the Latin Union to the free coinage of silver has permitted their silver coins to circulate at par with gold for nearly twenty years, in the face of a constantly declining price of silver bullion. The actual circulation of Belgium and Holland has come to consist very largely of silver coins, but they have been maintained at par with gold, partly by the limitation of their quantity and partly by the policy of the national banks in both countries in furnishing gold freely for export and thereby maintaining the equality of their silver money with gold in international trade. A similar policy was adopted by the British government for British India in 1893 by the suspension of the coinage of silver rupees and the adoption of a rate of exchange about a third less than the gold parity of the rupee, but above its value in silver bullion. The government of British India did not entirely succeed in maintaining the rate of exchange which was adopted, but the silver rupee never declined to the bullion value of the metal of which it was composed.<sup>1</sup>

The fact that paper money can be made to circulate under certain conditions when it is irredeemable at only a little less than its nominal value has led to some of the most dangerous errors of monetary science. It has been assumed that, because a limited quantity could thus be made to circulate for value, an increased or an unlimited quantity could be put in circulation under the same conditions. The error in this calculation has arisen from the fact that only a limited number of the tools of exchange was required to do the business of the community and that it was the limitation of the quantity which enabled any quantity to circulate for

<sup>1</sup> The operation of the law of supply and demand in these cases should not be interpreted as an implication that the government has the power to give value by its decree to any article in any quantity. It has a very limited power, by creating a market and therefore a demand, to raise the value of a restricted quantity of pieces of metal for a certain use, but its power ceases when the amount of such coins becomes excessive. This fact renders it impossible to maintain at par with each other two metals of unequal value when there is no limit upon the coinage of either metal.

value. An irredeemable paper currency of fixed amount is subject to the advantages of monopoly of supply. The fact that no additional quantity can be obtained removes such money from the operation of the laws of cost of production upon supply and greatly increases its value when there is a large demand. The demand for money is in a sense in all communities the demand of short sellers. In other words, thousands of persons are under contracts to deliver money which is not in their possession. In communities whose currency is regulated by the ebb and flow of the metallic money of the world, there can rarely be any question of their ability to obtain money to fulfill contracts for the delivery of money if they are willing now and then to pay a slight advance in the discount rate. The case is otherwise with money of a kind whose quantity is limited, which exists in no other community, and which is not capable of increase by the operation of demand upon cost of production. Money of this kind must be had to execute certain contracts to deliver money and it can only be had at the terms named by the holders of it. These holders are the banks and exchange houses, who speculate in exchange and regulate the price of foreign exchange in depreciated money by the current estimate of the value of the money and by their control over the supply. If the quantity is insufficient or barely sufficient to meet the demands of a community for the tools of exchange, these exchange houses will be able to sell it for very nearly its nominal value in gold. But when the quantity becomes excessive,—aside from the usual collateral element, that the probability of future redemption at par is diminished,—the supply becomes in excess of the demand and the marginal utility of each piece responds to the marginal utility of the excessive supply. The whole volume of the paper money is depreciated and continues to depreciate as the quantity is increased.

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## NATURAL RIGHTS.

The doctrine of natural rights has a history which may be traced to the speculations of Greek philosophers and Sophists who lived in the fourth and fifth centuries before Christ; but the first deliberate adoption of it as the basis of a political organization of human society is found in the Declaration of Rights which was made and published by the representatives of the people of Virginia, assembled in convention on the twelfth day of June, 1776. This document was followed, on the fourth day of July, in the same year, by the Declaration of Independence by the United States of America, in which the assertions of the Virginian Declaration that all men possess certain inherent rights, and that government is or ought to be instituted for the common benefit, protection and security of the people, nation or community in respect of which it is established, are substantially repeated; and in the year 1789 a Declaration of the Rights of Man was adopted and promulgated by the National Assembly of France. From that time forward the doctrine has been vigorously and persistently attacked by a succession of writers in England, France and Germany with such apparently damaging effect that Mr. Ritchie tells us in the preface to his elaborate contribution to the attempted demolition of the heresy, that when he commenced his labors in that direction he feared that he might be employed in slaying the already slain. But he adds that subsequent experience convinced him that the theory was still, in a sense, alive, or at least capable of mischief. Apparently in the judgment of Mr. Ritchie, the doctrine of natural rights has produced much mischief in the past, but a patient examination of it, as presented to us in the three documents I have mentioned, may convince us that the evil results which he would trace to its influence are not more justly attributable to it

than the crimes and follies which have been committed in the name of the Christian religion are attributable to the teachings of Christ as they are recorded in the New Testament. The earliest assailants of the doctrine in England, after it had found a place in the three documents which I have mentioned, were Bentham and Burke, the first of whom submitted it to an animated but strictly critical analysis from the point of view of the philosophical jurist in his treatise on the Principles of Legislation; while the second attacked it in his Reflections on the French Revolution with the vehement and denunciatory eloquence of a powerful orator and thinker whose vision was distorted by his anger at the progress of a revolution that ran counter to all his political sentiments and prejudices.

Bentham asserts that "rights properly so-called are the creatures of law," and by "law properly so-called," he tells us that he means "the will or command of a legislator." To this assertion he adds the declaration that "rights are established to insure the exercise of means and faculties. The right is the guarantee; the faculty is the thing guaranteed." It is therefore evident that Bentham makes an exclusive claim on the part of law and jurisprudence to the legitimate use of the word "right" as a substantive expression. But is the claim well founded? The primary meaning and use of the English word *right* and its French equivalent *droit* are adjectival; and both acquired an ethical signification, as expressing in the domain of morals a quality or characteristic which was the parallel or equivalent of that which they indicated in their original meaning of straight, when applied to material phenomena, long before they were appropriated by jurisprudence to denote a legal consequence created or recognized by positive law. It may be that jurisprudence has given to both words a much more definite and verifiable use as substantive expressions than that which they had acquired in the domain of morals, but it is beyond dispute that they were appropriated by jurisprudence on

account of their ethical associations, as it also borrowed for its own use from the domain of morals the words *duty* and *wrong*. This common use of the same vocabulary by jurisprudence and ethics is explained by the fact so well stated by Chief Justice Holmes, of Massachusetts, when he tells us that "law is the witness and external deposit of our moral life," and "its history is the history of the moral development of the race." Nor is it any wish to repudiate the historical relations of law and morals that induces Bentham and his disciples to protest against the use of the expression *natural rights* in the discussion of political questions. Their quarrel with it is a purely verbal one and will be found, when closely examined, to resolve itself into a dispute as to the correct nomenclature to be used in the investigation of the problems connected with the origin, nature and end of the state and its relations to the individual.

An illustration of the verbal character of the controversy is supplied by Bentham in his criticism of the statement that the pursuit of happiness is a natural right. "The pursuit of happiness," he says, "is certainly a natural inclination; but can it," he asks, "be declared a right?" He then immediately answers his own question by replying that whether the inclination to pursue happiness can be declared a right or not "depends on the way in which it is pursued." But before we can properly appreciate his answer it is necessary to know what he intends the pronoun *it* to stand for. Does he intend it to refer to the *inclination* to pursue happiness, or simply to the noun *happiness*? If he intends it to refer to *inclination*, as a strict observance of the rules of grammar would require, then both the question and the answer are perfectly useless to assist us in a solution of the matter in dispute, because the Virginian Declaration of Rights nor the American Declaration of Independence, which Bentham doubtless had in view, contains any statement that indicates that its authors identified natural rights with natural inclinations. On the other hand if the pronoun



*it* was intended to refer to the *pursuit* of happiness, then we must read the answer as meaning that whether the pursuit of happiness is a natural right or not depends on the manner in which the pursuit is conducted, and I do not believe that any rational advocate of the doctrine of natural rights would cavil at the answer in that form. But Bentham proceeds to give an illustration of the pursuit of happiness which makes it clear that he used the pronoun *it* to represent *happiness*, and by doing that he undertakes to confute the proposition that *happiness* is a natural right, which, so far as I know, does not find a place in the Virginian Declaration of Rights, nor in the American Declaration of Independence, nor in the French Declaration of the Rights of Man. "The assassin," says Bentham, "pursues his happiness, or what he esteems such, by committing assassination. Has he a right to do so? If not, why declare that he has?" It would be difficult to produce a more perfect example of controversial perversion of both the form and substance of an opponent's proposition, while preserving an apparent adherence to the language in which it is stated. In none of the three documents which have been mentioned can the assertion be found that the individual has a right to pursue his happiness in any manner he chooses, and at the expense of the happiness or existence of every other individual whose existence may interfere with the particular manner chosen for the exercise of the right and its satisfaction.

The right to pursue happiness is claimed in each of the documents for all men and in conjunction with an equally "inherent" or "inalienable" or "natural and sacred" right to life, or the enjoyment of life, or security. The assassin, therefore, cannot deprive his intended victim of life without violating the "natural" or "inherent" right of the victim to life and security; and he cannot assert the inherence of a natural right in himself to violate all or any of the inherent or natural rights of another for the purpose of more perfectly securing or enjoying his own natural right

to the pursuit of happiness without asserting that such natural right to violate the natural rights of another person is a right of a higher kind than any of the rights which may be violated in its name. But neither the Virginian nor the French Declaration of Rights, nor the American Declaration of Independence makes any mention of such a higher kind of natural right, and therefore the supporters of the doctrine of natural rights as it is proclaimed in those documents is not under any necessity to defend it against a charge of self-contradiction which cannot be supported until something is added to the doctrine which its authors never included in it. The addition which Bentham seeks to make to the doctrine, in his illustration of the assassin's pursuit of happiness, is an assertion that every natural right is absolute in each individual. This addition to the doctrine converts it into a proclamation of anarchy; and among its opponents we find the late Professor Huxley asserting that such is its true character because he regards it as a deduction or corollary from a prior doctrine of a "Law of Nature" which justifies every individual to seek the satisfaction of all his natural desires without the recognition of any ethical restrictions. But this assertion cannot be supported until the doctrine has been distorted by the gratuitous importation of a stultifying element which the advocates of the doctrine have always repudiated. Whenever the declaration is made that all men are endowed by their Creator with inalienable rights to life, liberty and the pursuit of happiness, the declaration implicitly prohibits any exclusively egoistic assertion of them by any individual which would involve the violation of them in the person of another individual. If the jurist who represents the teachings of Bentham and Austin interjects that the prohibition remains without any positive and available sanction until one is provided by the state, he is only reasserting the claims of positive law and jurisprudence to the exclusive use of the word *right* as a substantive expression; and I shall now make a

short attempt to ascertain the essential implications of the word *right* when used by law and jurisprudence in its substantive form.

The words *right*, *wrong* and *duty*, whether employed to express ethical or jural concepts, derive their meanings from reference to a standard of conduct. When used by the jurist the standard of conduct to which they refer is one prescribed by positive law, and every positive law includes a sanction by which alone legal rights arise under it, because if the law did not include a sanction the alleged right would not be enforceable, and an unenforceable right is for the analytical jurist a combination of two contradictory words. But it is the prescribed standard of conduct, and not the sanction, which determines the nature, duration and scope of the right. Positive laws which prescribe absolute duties include or have a sanction attached to them, but they do not create rights, unless we ascribe rights to the State in connection with them, and the root element of the sanction included in such laws is the arbitrary enforcement of the will of the more powerful. But the root element in the jural concept expressed by the word *right*, when it is used to designate a determinate right conferred upon an individual and enforceable by him with the aid of the State, is a restraint of the arbitrary enforcement of the will of the stronger individual who would pursue the accomplishment of his personal wishes to the detriment of the less powerful one; and the ideal of a positive law which creates determinate rights is found in a law which makes the weak and the strong equal in their power to enforce obedience to a standard of conduct prescribed for both. In other words, the supreme justification of every positive law which confers determinate rights upon individuals, when tested by the Benthamite standard of utility, is found in the fact that it provides a concrete sanction to enforce an ethical relation, and hence the vocabulary of ethics is inevitably employed to describe its results.

Burke denies that government is made in virtue of natural

rights, but admits that such rights "may and do exist in total independence of it; and exist," he says, "in much greater clearness and in a much greater degree of perfection; but their abstract perfection is their practical defect." He therefore does not pick any quarrel with the use of the phrase *natural rights*, and he is careful to announce that he recognizes the existence of what he calls "the real rights of men," and that it is in their defence he assails the "pretended rights" which in his belief would totally destroy the "real rights." But when we come to examine his account of the rights which he describes as "real," we find that he uses language which by every rule of fair and reasonable construction concedes to every member of civil society a claim upon it to secure to him all the benefits which it can confer upon him, in the particular place in which he finds himself in it. His own words are: "If civil society is made for the advantage of man, all the advantages for which it is made become his right. It is an institution of beneficence; and law itself is only beneficence acting by rule. Men have a right to live by that rule; they have a right to do justice, as between their fellows, whether their fellows are in politic function or in ordinary occupation. They have a right to the fruits of their industry; and to the means of making their industry fruitful. They have a right to the acquisitions of their parents; to the nourishment and improvement of their offspring; to instruction in life and consolation in death. Whatever each man can separately do, without trespassing upon others, he has a right to do for himself; and he has a right to a fair portion of all which society with all its combinations of skill and force can do in his favour." This list of rights is surely as large and comprehensive as the statement contained in the first paragraph of the Virginian Declaration, that men "have certain inherent rights of which when they enter into society they cannot by any compact deprive or divest their posterity; namely, the enjoyment of life and liberty with the means

of acquiring and possessing property and pursuing and obtaining happiness and safety." The only difference between the language employed by Burke and that used by the authors of the Virginian Declaration is that Burke alleges that whenever civil society is established all the advantages for which it is made *become* the rights of its members, whereas the authors of the Virginian Declaration assert that man enters into civil society already possessed of certain rights which civil society ought to recognize and protect. But the mutual relations of the individual and civil society become the same under both propositions, because the result in each case is that every member of civil society has a claim upon it to secure him in the possession and enjoyment of certain rights or benefits. But if every member of civil society has a claim upon it to secure him in the possession and enjoyment of those rights or benefits, whence does he derive it? Burke himself uses language which seems to imply that he regards the claim as derived from something very similar to the primitive contract which was alleged by Rousseau to be the basis of the political organization of human society, for he says "men cannot enjoy the rights of an uncivil and of a civil state together. That he may obtain justice, he gives up his right of determining what it is in points the most essential to him. That he may secure some liberty, he makes a surrender in trust of the whole of it." And in his speech on *Conciliation with America*, he says, "All government, indeed, every human benefit and enjoyment, every virtue and every prudent act, is founded on compromise and barter. We balance inconveniences; we give and take; we remit some rights that we may enjoy others, and we choose rather to be happy citizens than subtle disputants. As we must give away some natural liberty to enjoy civil advantages; so we must sacrifice some civil liberties for the advantages to be derived from the communion and fellowship of a great empire." But if the claim of the individual

upon civil society for the protection of his person and the security of the fruits of his industry, with all the other rights which Burke concedes to him and designates as "the real rights of men," is based upon a contract or convention by which civil society was established, then the citizen is absolved from allegiance and obedience to the State when it refuses to secure such "real rights" to him, or directly invades them for the uncovenanted advantage of other members of the community. This is the pure and unadulterated doctrine of the American Declaration of Independence, and if it does not find its authority in a contractual origin of civil society, its justification must be sought in the welfare of the citizen which is alleged to be at stake and which the doctrine is invoked to protect. But the welfare of the citizen is found in his possession of the "real rights" which Burke concedes to him, and which civil society, in the circumstances supposed, has violated, and whether those rights are designated "real" or "natural" the appeal to them asserts their authority as morally prior and superior to that of the State.

It may be contended that the "real rights" of Burke ought to be designated *civil rights*, because it is only in some form of civil society that any person is found in possession of them. But if the individual is, in any circumstances, justified in resisting an attempt on the part of the State to deprive him of those rights he must in such circumstances find a designation for them which shall adequately describe their fundamental character as necessary data of civil society, rather than incidental advantages of it; and if the justification for his resistance cannot be found in a contractual origin of political society, it must be sought in the rational and moral nature of man by virtue of which political society exists. It is here that the veteran French philosopher, Renouvier, finds the source of the natural rights of man, and for that reason he designates them by the term *rational* in preference to the word *natural*, as being conditions of

well-being which the human reason demands for the development of the moral and intellectual capacities of man's nature.

Mr. Ritchie, in the preface to his book on "Natural Rights," very truly tells us that he has approached the subject in a spirit more appreciative and sympathetic than that in which either Bentham or Burke discussed it; and a re-perusal of the volume has confirmed my first opinion that it contains the materials of a perfect defence of the doctrine which it was written to confute. He tells us that the word *natural* is frequently used as the equivalent of *normal*, and that when so used it means "what ought to be, but does not necessarily exist," and he proceeds to say that, "if the term natural rights were always confessedly used in this sense, no objection could be taken to it, except that it was an ambiguous way of saying what might be less ambiguously expressed by a direct use of the term ought." But we cannot convert the word *ought* into an adjective and speak of *ought rights*; and if we select the adjective which in its daily use most directly implies the same meaning which the word "ought" used as an adjective would express, and speak of *moral rights*, Mr. Ritchie replies that "Natural rights are not identical with moral rights, because in many cases people have claimed that they have a moral right to do things that were not recognized either by the law of the land, or by prevalent public opinion, or by the conscience of the average individual" (p. 80). On the next page (81) of his book Mr. Ritchie says that if we could agree upon what rights every society ought at the very least to guarantee to its members, they would be our "natural rights." In making this statement he places the term "natural rights" in inverted commas, by which I suppose he intends it to be understood that even in that case the adjective *natural* could be properly used only as a provisional or adventitious expression.

He then proceeds to inquire what determines the

"ought," and he concludes that it is "social utility" as disclosed by past history. In this connection it may be noted that in his previous discussion of the subject in his book on the "Principles of State Interference," Mr. Ritchie has been careful to remind us, that organized society is something more than a simple aggregate or number of separate individuals and that "the person is a product of the State." Also in his book on "Natural Rights" he tells us that, "Nature made man an animal; society has made him a rational animal—a thinking, intelligent being capable of moral action," and that "the person with rights and duties is the product of society, and the rights of the individual must, therefore, be judged from the point of view of society as a whole and not the society from the point of view of the individual." All this may be admitted unreservedly, but it does not prove the existence of any "social utility" apart from the well being of the units composing a community; and not only is the person "the product of the State," but the supreme "utility" of the state is to produce "persons," that is "thinking," intelligent beings capable of moral action." But the "thinking, intelligent being capable of moral action" is such because he is capable of comprehending moral distinctions; and if the end of the State is to enable men to live a truly human life, that is, the life of rational creatures whose conduct is regulated by moral distinctions, the ultimate justification of its existence must be ethical, and, therefore, the political philosopher who discusses the functions and ends of the State has an equal, if not a prior, claim to the jurist to use the vocabulary of ethics in the data of the problem he is examining. The use of the expression "natural rights" for this purpose has been well vindicated by Professor Green in his lectures on the "Principles of Political Obligation" (Works volume 2, page 339) where he says, "There is a system of rights and obligations which should be maintained by law, whether it is or not, and which may be called "natural," not in the



sense in which the term "natural" would imply that such a system ever did exist, or could exist, independently of force organized by society over individuals, but natural because necessary to the end which it is the vocation of human society to realize." Mr. Ritchie himself has told us that "If there are certain mutual claims which cannot be ignored without detriment to the well-being and, in the last resort, to the very being of a community, these claims may in an intelligible sense be called fundamental or natural rights. They represent the minimum of security and advantage which a community must guarantee to its members at the risk of going to pieces if it does not with some degree of efficiency maintain them" (page 87). If I rightly comprehend the scope of these words they embody the same fundamental principle which is asserted in the third paragraph of the Virginian Declaration of Rights which states "That government is, or ought to be, instituted for the common benefit, protection and security of the people, nation or community; and that when a government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, inalienable and indefeasible right to reform, alter or abolish it, in such manner as shall be judged most conducive to the public weal." The Virginian proposition is certainly stated in much wider terms than those in which Mr. Ritchie has expressed his conception of the fundamental relations of the individual and the State to one another; but the substance of each is that the justification of the existence and action of the State is the provision and maintenance of certain conditions of well being to all its members. The same doctrine is expressed with slight change of language in the American Declaration of Independence. The argument in both documents is undoubtedly based upon the social contract theory of the eighteenth century, but the proposition that the utility and justification of the political organization of society are found in the protection of the individual in the

possession and enjoyment of certain conditions of welfare which being, in the language of Green, "necessary to the end which it is the vocation of human society to realize" may, therefore, be properly described as "natural rights," is independent of any theory of the historical origin of the State with which it may at any time have been associated, and is always separable from it.

In view of many passages in Mr. Ritchie's book it would seem that the verbal aspect of the controversy might be reduced to a choice between the words "natural" and "necessary." But if the word "necessary" is admitted to be a legitimate description of the alleged rights, it will be difficult to justify the scorn and vehemence with which the use of the word "natural" has been condemned when applied to them. The words "natural" and "necessary" are not logically or etymologically identical, but they are nevertheless frequently used as if they were so. For example, we frequently find such expressions as "natural consequence" and "necessary consequence" used interchangeably in exactly similar connections, and it cannot be disputed that many relations and results in the material universe and in the world of human activity may be correctly described as both "natural" and "necessary." It would therefore seem to be a perfectly defensible use of the word "natural" in connection with social relations to apply it to those conditions of human well being which are necessary to the permanence and efficiency of human society.

Both logically and historically civil society finds its foundation in the rational and moral nature and capacities of men, and the final test of its claim to exercise authority over the individual is ethical. For this reason neither law nor politics can avoid the use of the vocabulary of ethics; and the political philosopher may fairly claim to use the expression "natural rights" to designate that sphere of personal action which must be held inviolate from the coercive intrusion of any other individual or the State in order to permit every man

to live the most truly human life which his nature and his capacities make possible for him in the social environment in which he is found. The fact that the extent of this sphere of personal action has been, and may continue to be, the subject of an interminable controversy does not prove that such a sphere of personal action does not exist; and the advocate of the doctrine of natural rights may readily admit that its extent may vary in relation to the moral and intellectual development of the individual. The sphere of personal action which ought to be preserved for a child or to an adult with a defective mental equipment is not the same as that which ought to be maintained inviolate for the adult possessed of intellectual and moral capacities equal to those possessed by the bulk of the members of the same community; but in each case the natural rights of the individual are violated if the sphere of personal activity is restricted to a degree which prevents him attaining the standard of human excellence which otherwise he might reach. Finally, if I am asked to prescribe a test for any alleged condition of well being which may at any time be claimed by the members of a particular community as their natural right, I reply that the test is the necessity of such alleged natural right for the preservation and protection of the standard of well being to which the claimants have already attained, or for the attainment of any manifestly practicable increase of their well being which the alleged right would bring within their reach. Every such condition of well being may be properly designated a *right* because it *ought* to be possessed by the claimants, and it may be properly called *natural* in the sense that the evolution of human excellence for the continuance of which the right is necessary may be declared to be natural to man; and it is when the alleged natural rights which are specified in the Virginian Declaration of Rights and in the American Declaration of Independence are regarded in this aspect of them that we find the justification of the words of Washington when he described the troops

who had fought under his command for the independence of their country as men "who had assisted in protecting the rights of human nature." If human nature has not any natural or inherent rights which can claim recognition to restrain a preponderance of physical force or the arbitrary will of majorities, then the weak and all minorities are without verifiable authority or justification for resisting oppression. Might is the ultimate foundation and criterion of right and the highest political ideal men can safely cherish is the rule of the benevolent despot. Are we prepared to accept this conclusion as the final goal of all the efforts and struggles which humanity has made and endured to reach the best possible conditions of human well being? If not, we must continue to carry on the good fight under the old flag which was borne aloft by the men who stormed the citadels of despotism and privilege in the past and on which is written as the record of its history and the promise of its future service "*In hoc signo vinces.*"

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## THE ETHICAL AND POLITICAL PRINCIPLES OF "EXPANSION."

The acquisition without the expressed consent of its inhabitants of a thickly settled island like Porto Rico, enjoying civilized institutions, though inhabited by a partially civilized population, and the retention by force of arms of the national power and authority over the Philippine archipelago, where sovereignty had been legally acquired by treaty, has brought the United States into the world current of colonial expansion. While there is no difference in international law between the position of the United States in Porto Rico or in Alaska, or between the suppression of the resistance of the Sioux Indian tribes, in the Louisiana purchase or the resistance of the Tagals in the Philippine purchase, the difference of degree between the situation in each case has forcibly brought before the minds of men a reconsideration of the entire subject of the rights and the relations between civilized and partially civilized communities. By none is the necessity for an impartial consideration of the ethical relation of these acts felt more strongly than by those desirous that the acts of the nation, for which they feel "as a lover or a child," shall not only be right, but seem right. The United States has for a century advanced, under various treaties conferring international but not therefore necessarily moral rights, from the Atlantic to the Pacific, imposing its sovereignty, administrative authority and law, sometimes with and sometimes without citizenship, over civilized, semi-civilized and savage communities already in possession of the soil, without their expressed consent and sometimes against their violent resistance. It is continuing this policy on lands beyond the seas, whose territory it can never hope to fill with its own population, as was indeed asserted to be the case with earlier acquisitions. Are these twin advances, their march first across the continent, and next on

island realms, part of the same movement? Can either or both be justified in the forum of morals and of political principle?

The form of government, the limits of government and the just territorial extent of government must long remain subjects of a constant discussion. Where a century ago representative government through a popular Assembly instead of through a single head was in theory accepted as the best in form, the parliamentary experience of the past half-century has profoundly modified this political tenet. Where the limits of government were believed, a half-century ago, to be best defined in theory upon the principle of *laissez faire*, municipal legislation, and at some points international law, has, during the last half-century, accepted the task of a supervision which would once have seemed a retrogression to medieval practice or an advance towards socialist principles. Lastly, the just territorial extent of government was, in the period which began with the Declaration of Independence, 1776, in theory believed to be authoritatively dependent upon the consent, tacit or expressed, of a majority of the population occupying the governed territory. While this principle had numerous infractions in the name of order, dynastic privilege and of sheer territorial appetite, even these were asserted as exceptions to a general rule which seemed, as Thomas Jefferson said, "truths self-evident." Yet, even this principle, which once seemed so simple of application, was crossed in practice before a century had passed over in the country where it was first enunciated by a terrible and devastating war, which denied the right of self-selection in government to the white population of the seceding states of the American Union.

The theories which were asserted by the encyclopedists for the eighteenth century, the principle and practice which were unhesitatingly erected upon these theories during the larger part of the nineteenth century, have, as will be seen, in regard to all three of these issues, the form, the limits,

and the just territorial extent of government, been thrown into the alembic of discussion. Step by step every civilized country has been drawn during the last twenty-five years into action which runs directly counter to the American and to the main theoretical assertion of the previous one hundred years, that the first authority which should be consulted, in determining the administrative and national relations of any territory, should be those who live within this territory. There is to-day no more vexed ethical problem than that which turns upon this issue, whose decision must establish the ethical acquittal or the ethical condemnation of the acts by which the colonial possessions of European states have been increased during the last quarter of a century by some eight million square miles, a policy in which the United States has begun to share and on which every American is forced to reach a sober, a careful and a responsible decision.

Fortunately, in the maze and flux of conflicting commercial interests, territorial ambition and national Chauvinism, there are certain fundamental principles upon which all are still agreed. These are held by all parties to this discussion and by all the actors in the great drama, which is so rapidly parcelling the earth's surface among the "great powers." All of these powers but one hold the theory of self-government, and all, without exception, even Russia, admit the principle of self-government as on the whole the wisest, though not at all times the best, most practicable of plans for the government of men. Two principles are the admitted object of all society: First, the creation of the best possible environment for the development of the free, intelligent, moral being, capable of a wise choice and ethically desiring to use this choice to the general good in the service of other human beings. This because to the general effort of other human beings in the past, continued during the centuries, the individual is in debt by an unearned increment greater than can be discharged by a life-time of self-sacrificing devotion.

Second, the best ultimate environment for the development of such an individual is as universally accepted to be the self-governing state, in which the will of the individual is periodically exerted to decide according to settled, fundamental and agreed laws, the legislative, executive and judicial action of the community of which he is a part, in all its decisions, local, mesne and national. From Russia upwards, every official public utterance accepts the view that the utmost freedom of self-government in local affairs, in those middle organizations, the state and country in American practice, the shire in English, the department in France, should be granted as is consonant with the maintenance of order, the stability of the state, and the rights of ruler and ruled, construed with reference to the safety, the prosperity, and the development of the community as a whole. To-day if arbitrary power is exerted anywhere, it is on the avowed excuse that it is necessary in view of the imperfect development of the society, and its necessity is best established by piously asserting that its despotism is a providential instrument, ordained of heaven for the purpose of controlling the folly, the wickedness and the ignorance of men not yet ready for complete self-government.

These two principles, the self-ruling individual and the self-governing community, are now accepted as the theoretical rule of practice by which the organization of the state must be judged. Under despotism, or under what are called liberal institutions, the ethics of each political act are all to-day brought to the bar of a common consciousness before which each act must be judged according as it facilitates and promotes, or hinders and retards the ultimate creation of a self-governing environment for the self-controlling individual. But in applying this principle, so broad in its application, so universal in its acceptance, there instantly appear sundry limits which the experience of man has established upon the exercise of self-rule by the individuals of a community. The first of these limits is that of age. When



we speak of universal suffrage, we exclude by common consent all those whose development has not reached the years at which an adult will exist. For different purposes this age limit may be drawn at different years. With us, certain contracts can only be made after eighteen. The political right of suffrage can only be exercised after twenty-one. A man is only eligible for the federal Senate after the age of thirty, and for the supreme gift of the Presidency a limit of thirty-five years of age has been established. Without question, the privilege of self-government is here limited sharply by an arbitrary line, which in some individuals comes too late, and in some too early to agree precisely with the individual development, but which is imposed by the community for the general good. Sex is another limitation on political self-rule. In most communities, though by no means in all, suffrage is limited to men, and whether this step be wise or unwise, the right to make some limitation is accepted by all. Character is still another limitation on the right of self-government. All are agreed that an infamous conviction is sufficient cause for depriving a man of his share in the rights of self-government. Intelligence is another limitation. The idiot and the insane, by general consent, are excluded. Experience has rendered it true that it is also wise to have an educational qualification, and the possession of special educational powers, as a university degree, has, in a number of countries, been held to confer special political privilege. Lastly, in a large number of countries, this limit upon the exercise of self-government by the individual is extended by means of special qualifications, of property, of residence for a term from thirty days up in North American states or of registration. All, then, accept the view that the best self-governing environment is secured for all individuals by excluding some from the privilege of sharing in self-rule. These limits are drawn at different points. They are drawn everywhere for age, nearly everywhere for sex; they are imposed with varying force for character, but the

necessity of some limit to the right of the individual to share in the self-government of the community of which he is a part is so self-evident that it has ceased to be a subject of discussion as a principle, and become instead simply an issue as to its various applications.

These limitations as to the privilege of the individual exist also with reference to the right of the individuals in a particular territory, as related to all the individuals in a larger territorial community of which the smaller territorial section constitutes a part. It is perfectly clear that if the inhabitants living at the mouth of the Mississippi were to determine that their own prosperity and development required a separate national government, that the greater good of all the inhabitants in the entire Mississippi basin would give them a right as a whole to decide, not that the inhabitants at the mouth of the river should be deprived of all self-government, but that self-government should be exercised as a part of the larger territorial unit, created by the basin of the Mississippi, all whose parts are equally interested in the freedom of the self-government and mutual action of each of its parts. Twice in our history, once when the Franco-Spanish population of New Orleans desired control; and again, during the Civil War, the right of the entire Mississippi valley to see to it, to use Abraham Lincoln's phrase, "that the father of waters should run unvexed to the sea," was unhesitatingly exercised. The same principle applies to territorial boundaries, some historic in their origin, but nearly all based on physiographic conditions. It would be a wrong, both for the county of Kent and for the island of Great Britain, if the inhabitants of Kent were again to assert the right of self-government alone and apart, which was once indubitably theirs as a Saxon kingdom. Physiographic reasons, therefore, sometimes clear, sometimes dubious, and sometimes finding their chief justification in previous historic conditions, determine certain national boundaries within which we are all agreed that the greatest

good of the greatest number—and by the greatest number is meant not those merely who are living at one particular time, but all who are to be influenced in the future—requires the primary rule of self-government by a particular territory to be exercised, subject to the larger rights of the larger territory, of which it is a homogeneous part, racially, geographically or historically, the extent to which these boundary-making facts shall modify self-rule for an individual or a community being accepted as a question of application and not of principle.

Within these territorial limits, thus established, there are further facts which limit the self-action of the individual and the self-government of the community. Exactly as our sanitary laws prohibit any individual from maintaining a nuisance, from using appliances dangerous to the health of others, or from leaving the community without knowledge of a contagious case in his own family, so the nation as a whole rightly, that is morally and by just political principle, exercises its control over the self-government of the local community to require a certain level of morals, of education, of institutions and of administration to be preserved. The guarantee of a Republican form of government to each state is one shape in which this interference is exercised in the Union. Our Civil War was the assertion, among other issues, of the right on the part of 18,000,000 of our white population to forbid 8,000,000 from continuing the institution of domestic slavery. A small, insignificant minority in Utah has, under the same principle, been coerced into abandoning polygamy. These infractions of the right of self-choice by the individual, and of self-government by the community, are each justified and only justified on the general principle which justifies also the exclusion from self-government of individuals below nonage, the determination and maintenance of national boundaries upon rights partly historical and partly physiographic, and the entire series of limitations on the action of the individual, by local self-gov-

ernment, by the larger self-governing organism of the state, and finally by the nation. The creation of the environment of self-government for the development of the self-controlling individual is, therefore, by no means the direct, simple and exceptionless act which it appeared to the political thinkers of the eighteenth century. The various "inalienable rights" which make up this complex and self-governing state, made up of self-controlled individuals, is only reached through a large number of limitations, which exclude various classes of individuals, various categories of territory, and various desires of men, from the privilege of self-determination and self-wish.

These twin ideas of self-control for the individual and self-rule for the state, now accepted as settled, final principles all over the world, are the established practice only in the greater part of the temperate zone. In this continent, the principle and practice of self-government are in existence north of the sub-tropical regions. Temperate Europe is all dedicated to self-rule, and while Russia still has in its general government a despotism, autocratic and personal, the Russian mir constitutes, perhaps, the most complete instance of local individual self-government known the world over. Despotic as China is, its local village organization has at many points nearly as large a share of self-rule as that of Russia, and Japan may be unhesitatingly added to the countries in which self-rule exists. If we begin in the south temperate zone with New Zealand, we find ourselves in a land where the principles of general self-rule not only over political action and development, but over property rights and industrial operations, have been carried farther than in any other country, and with results which emphasize the value of the extension of this privilege from political to property rights. Australia, less advanced, is now engaged in extending the principle of self-rule from separate colonies to a federated commonwealth. Chili and Argentina, in South America, have come closer to establishing self-government

than any other countries in that continent. The present war in South Africa, whose results may any week be complete, is itself an illustration of the mutual acceptance in theory of the principle of self-rule by both combatants, and of the inevitable conflict, which has already been touched upon, between the rights of the small, integral community exclusively to rule itself and the rights on the other hand, first, of men to go where they will and in all lands enjoy all the political privileges of self-rule; and, second, of the claims of the larger territorial unit of which the small state is a part to control the latter. For there is no reasonable doubt that a century hence the Transvaal and the Orange River Colony will have become part of a South African domain, whose common fellow-citizens will look upon the present war as do the citizens of our Union on our Civil War, as an issue on which men could honestly differ, but on which all men can gladly and loyally accept the final result.

Between this belt of self-governing countries, broken in the north temperate zone by China and Russia, and unbroken in the south temperate zone, there stretches the tropics, to-day and from the beginnings of history without self-government or local self-rule. The problem, therefore, as in the temperate zone, is the creation in these tropical countries of the same environment of the self-governing community for the best development of the self-controlled individual. There are two diametrically opposite views in regard to the best course which should be followed in order to create such communities in the tropics, which include to-day nearly half the human race. The first view stands still upon that general principle of absolute right, individual development and *laissez faire*, which was the basis of early assertion and assumption a century and a half ago in regard to the forms, the limits, and the just extent of territorial administration. The double claim is asserted, first, that the development of the temperate zone has taken place best without external interference, so that the best development of

the tropics is likely to come about in the same way ; and, second, that each region has a right to such institutions, such government and such development as it prefers. We have no ethical right, such men say, to force what we are pleased to call a higher civilization or a more advanced administration upon others. If they prefer their tribal organization, their simpler institutions, their ruder adjustment of personal and political, civil and administrative rights, it is for them and not for us to decide whether it is better to live in a medieval or in a modern state, in a savage or a civilized community.

With the just and prompt interference of legislation and administration, with like claims in the case of individuals who prefer a savage, predatory or socially backward life, we are familiar. We are less familiar with similar interference with communities in behalf of the general development of the race. Yet the two acts rest on the same basis, are physically on a par, and are both only justifiable on the same ground—the final development in any region of the best conditions and environments for the self-controlled individual. Exactly as we have come to understand that the right of the individual to share in the self-government of a community of which he is a part, is or may be dependent upon age, sex, character, property, education, so the right of any region to self-government is not inherent, but is in its turn dependent upon its relation to the general advance and development of the world. no.

The presumption is in favor of the right of the individual to share in the self-government of his community. The presumption is in favor of the independence and self-government of every community. But in both cases an appeal to past experience and existing fact must decide whether either the individual or the community has a right to the privilege which each asks. When communities were isolated, came in infrequent contact, and were able to develop alone, a condition which disappeared with the in-

vention of steam, the presumption in favor of the individual development, independence and self-rule of each community was far stronger than it is to-day. Nearly every argument which urges the right of the community to self-government cites authorities and utterances prior to present conditions, exactly as all like pleas for suffrage, unlimited by mental, moral or material qualifications, base themselves on assertions and utterances before the experience in universal suffrage, so-called, during the last century.

The broad fact exists that in the north and south temperate zones there has been a steady gravitation which has created a group of great powers, all but one self-governing, and that one enjoying local self-government, and justifying despotism only as a necessary step in the development of a backward state. These countries face tropical regions, part of which has been annexed, and part of which awaits an inevitable annexation. The historical progress and cause of this annexation are themselves the best possible statement of the ethical conditions which surround the colonial policy of the past quarter of a century.

1. Precisely as every nation has found it necessary by factory laws, by sanitary regulation, by the entire network and web of what is known as the police power, to maintain a uniform level among its citizens, so civilized nations have found it necessary to maintain a uniform level for the purposes of trade, communication and the free diffusion of moral and religious ideas. It has ceased to be possible to permit the trader to go and come, relying for his safety on his own efforts. Such a course leads straight towards legal piracy in some form. No nation can be allowed to exclude the moral ideas common to humanity, hence the provision in the treaties of the past century for the free passage and the protection of the missionary. No nation can be allowed to preserve on the frontiers of another nation an order of semi-savagery, of oppression, or of smoldering insurrection which affects the peace, prosperity and development of its neighbor.

In 1877, when Mexico was weak, our troops unhesitatingly pursued Indian tribes across the frontier. In 1898, when Spain was weak, we ended smoldering insurrection in Cuba by intervention. First marines and then an army have been landed in China in order to protect the legations at Peking, and this physical force is only a symbol of the steps constantly being taken by civilized nations to protect their citizens on semi-civilized territory. Ex-territoriality, with all its cumbrous fictions and its grievous injustice to the native trader, whose contracts and property are enforced and protected in courts less honest and less efficient, is a vain attempt to give under bad government, through exotic consular courts, the protection for life, for property, and for contracts which exists under good governments. These various expedients have been tried over a century, and they have all failed. They have aggravated the evils they sought to cure, and they have created evils which they could not remedy. The maintenance of a uniform level for the protection of the ordinary rights of men and women has become impossible in all that broad region which consists of semi-civilized nations, lying in the tropics, or in sub-tropical regions, except through colonial annexation.

2. It is a maxim of municipal law that the use of natural agencies is subject to the regulation of the sovereign. No man can block the best route for a railroad; no man because he owns both banks of a navigable river can close it; no man can do as he will with property like the Yellowstone Park or the Sequoia Groves in California which Congress has now before it a measure to expropriate. Every one admits that within certain limits taxation should force the development of the natural resources and riches of a community by taxing not the present but possible value of a city lot or a coal mine. It is a matter of argument whether this taxation of private right should go to the extent of absorbing all the rent or only enough of it in order to stimulate



private enterprise, but there is no possible question on the part of any one as to the moral right or the material wisdom of the use of the mingled powers of eminent domain and taxation in order to insure the efficient use of all natural agencies for the general prosperity. This applies equally to the surface of the earth. No tribe, no people, and no nation has a moral or political right, simply because it is in possession, to hold any given tract containing great natural advantages under a poor government which prevents its development, if there is a loss on this account to humanity as a whole.

3. But with reference both to the maintenance of uniform conditions in public order and the efficient use of natural agencies, the argument is always pertinent that a development from within is wiser, healthier and likely to be more permanent than any force applied from without. This argument was strong as long as nations lived isolated and separate. Free modern communication has applied an economic destruction and devastation to the development of semi-civilized countries more destructive than that of war. The steady smash of the economic systems of Turkey, Persia, and China, of all North Africa, of the Spanish colonies once held by Spain in the East and the West, and of Spanish-American countries outside of the temperate zone, has been the result of the economic principle that the worker under a bad government has no chance and no hope in competing with the worker under a good government. All nations have been bad at some time, and the worst government has always the possibility of recuperation, as history abundantly shows, but this is only possible when a country is a self-centered organism whose industries and economic exchanges go on without serious competition by an industrial system worked under more advantageous conditions. This competition has destroyed the industry, disorganized the trade, and sapped the social structure of every semi-civilized land. Japan is a solitary exception, and Japan is an exception simply and

solely because the Island Empire was equal to self-government and self-rule. What has happened elsewhere is the gradual destruction of local hand industries by the competition of factory products, whose production in a semi-civilized or badly governed country is impossible because the factory requires security for credit, for contracts and for wages. Unless these exist, it cannot come. The only two Asiatic countries which are developing factories are Japan and India under good governments. Thus it comes about that the tea of well-governed Ceylon and Assam destroys the tea industry of ill-governed China. The beet-root sugar of well-governed Germany brings to ruin and rebellion the sugar plantations of ill-governed Cuba. The jute of Southern India saps the profits of the jute plantations of Luzon. Even the marginal difference between the efficiency of the colonial administration of Holland and of Spain creates in Sumatra tobacco plantations which are destructive to the tobacco plantations of the Philippines. Administrative advance rests on prosperity. Prosperity rests on industrial efficiency. The economic competition of industries under good government, whose products under modern conditions pass constantly into competition in their own home with the products of industries under bad governments, destroys the possibility of industrial efficiency. This destroys prosperity. Administrative advance cannot come in lands cursed by economic declension.

Under these conditions there remain only three alternatives: (1) Those countries which have been outstripped in the race will sink into a lower and lower state of disorganization and disorder. (2) They will be taken up and exploited by great commercial companies, which will rule them through corrupt governments. (3) They will be acquired by self-ruling nations and embarked on a course of improvement. The last two are most certain. Disorganization and disorder will not be long permitted in a world grown as small as ours. The trader will always be strong

enough to rule for himself when he is not ruled by his own government. The choice in India was not one between native and English supremacy. It was a choice between English supremacy, exercised through a commercial corporation, or through a responsible government elected by a free people. This choice is one which exists the world over, and is already coming to be a grave question in the regions to the south of the United States. Witness the extension of corporate power in San Domingo, Honduras and elsewhere.

There remains the final question whether this process of annexation has gone far enough to determine its fruits, and results. The object is, let us remember, the creation of self-governing communities. The history of India we know for 5,000 years. It has never had self-government. It has gone on from one welter of oriental despotism to another. Through all those fifty centuries it has known good rulers and good judges, but it has never known a pure judiciary or an executive of integrity. It was without self-government or self-rule, until it was introduced by England. To-day, in its three largest cities, two-thirds of its city councils are elected by rate-payers; in over 200 cities with a population of 13,500,000, out of 9,000 counselors, 5,000 are elected, and two-thirds of this rural population, or 190,000,000, have, out of 15,000 village counselors, 5,000 who are elected by the rate-payer. In the one place, where the experiment has been tried on a great scale of ruling a tropical and sub-tropical region through the responsible government of a civilized and self-governing state, the fruits of the experiment in self-rule, in universities, in schools, in peace, in order, in prosperity, all unite to give experimental proof of the wisdom of the step which has been taken. The decision to be reached in all cases as to the responsibility of a particular country is exactly similar to the decision which must be reached as to the just limits of territorial jurisdiction in all cases. A mingling of historic, racial and physiographic

conditions decides where boundaries run, and what is treason on one side of an imaginary line becomes loyalty on the other. But when, by international law, by war, or by changes both make, these responsibilities come, they must be met. No wise man hunts responsibility; no good man shuns it. When any nation finds itself, as the United States did, with responsibility for sub-tropical regions, which the experience of the past and the conditions of the present show to be incapable of creating either self-government or public order, the duty of the hour is to accept the burden and the responsibility for creating that one environment of self-government which, as we began by saying, is the best environment for the self-controlled individual. The issue at this point is not, therefore, one of inalienable right to self-government, or to be settled by a fervid appeal to the principle of the "consent of the governed," but one of fact as to whether, at a given place and date, the conditions existed for self-government as a reasonable and present possibility. /

Nor is it an answer to these mingled lessons of history, and of science, in the absence of this reasonable and present possibility, to reply that there is always hope for every human being, that each may at any time reform and return. The message of hope which was spoken both in the Sermon on the Mount and from Calvary was one which accepted the condition of inexorable law, which reminds us that "whatsoever a man soweth, that also shall he reap," and that the Cæsar of worldly order has a claim as inexorable and as just, as the Divine love. To each tribute is due, to neither can it be refused. The one opportunity of securing the privilege of self-government in the future for all regions incapable of self-government to-day is to entrust their affairs for a season to the tutelage and direction of responsible, self-governing nations.

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## REPRESENTATION IN STATE LEGISLATURES.

### IV.

#### THE WESTERN STATES.

There are certain American institutional tendencies which can be seen nowhere else so clearly as in the western states. Many considerations make them an interesting field for the study of political development. In the first place, these communities are all young, and youth is often the period of most eager experimenting in matters political. The admission of California, the oldest of these states, marks the middle point of the century ; Oregon was admitted on the eve of the Civil War, and Nevada towards its close, while Colorado followed in 1876. The other seven came into the Union in a single period of seven years, beginning in 1889. The conditions of state growth have here been unique. It is true that they have been developed by incomers from the eastern states, and that none of them has so large a proportion of foreign-born inhabitants as have several of the north central states ; nevertheless this movement has had its unique features. It has been no gradual infiltration of farmers, like that which prepared the northwest territory for statehood ; not the prairie schooner but the continental express has brought the eager settlers to the land whose varied resources awaited their developing, and Congress has spoken these communities into states as soon as party expediency seemed to demand it. In framing and in working political institutions, be it for good or ill, the conservative influences have here had least effectiveness, and innovations are introduced with indifference which in other states could be brought about only after prolonged and vigorous agitation.

But it is these very states, where the positive influences in the direction of radicalism are so strong and where the restraints of habit and tradition are so little felt,—it is these very states which are gaining rapidly in influence upon the rest of the country. In area they comprise one-third of the United States, and in no other section is the present rate of increase of population so great. In any attempt to forecast the development of American political institutions, therefore, the practice and tendencies observable in the western states can not be neglected.

### I.

*Who are represented? or rather, who may vote in the choice of legislators?*

Of this freedom from the restraints of tradition and of this readiness for innovation in matters of government few more striking illustrations could be cited than are afforded by the suffrage legislation of the western states. In the south effective agitation in favor of woman's suffrage is practically unknown. In the eastern and central states the woman's suffragist must be of highly sanguine temperament who can detect signs of advance; vigorous agitation may secure from an indulgent legislature the submission to the people of a constitutional amendment, but it meets with overwhelming defeat at the polls; indeed, in some states in recent years the anti-suffragists among the women themselves have put forward such a vigorous opposition to the extension of the suffrage that the empty honor of a favorable report from a legislative committee has been refused.

But the western states present a very different aspect. With but rare exceptions their constitutions recognize the extension of the suffrage to women as a change possible if not probable in the near future. In Wyoming and in Utah equal suffrage was decreed by the original constitutions. In

Colorado and in Idaho it has come more recently by amendment. In both Colorado and South Dakota the constitution required the submission of this question to the voters at the first general election. While four of these states have thus adopted equal suffrage,—the only states in the Union which have done so,—in four others the question has been referred to the voters at the polls during the past five years; in each case it was negatived by so narrow a majority as to make it not at all improbable that a few more years of agitation may reverse the decision.<sup>1</sup> In Washington, while it was still a territory, women voted for several years, before the law authorizing it was declared void by the court, upon a technicality.<sup>2</sup> In Montana, where there has been no very recent referendum upon the subject, not only may women vote on school matters, but those who pay taxes may vote on any question which is submitted for the decision of the taxpayers. With the single exception of Nevada, therefore, the western states have shown themselves susceptible beyond all precedent to the urgings of women aspirants for the ballot.

In other directions, however, the suffrage has been restricted. More distinctly than in any other section is race openly made the ground for refusing men the voter's privilege. This is in large part merely a matter of geography. Thus, California and Nevada exclude all natives of China; Idaho's disqualification applies to "Chinese, or persons of Mongolian descent, not born in the United States," while

<sup>1</sup> California, 1896—For, 100,355; against, 137,009. South Dakota, 1898—For, 19,698; against, 22,983. Washington, 1898—For 20,658; against 30,540. Oregon, 1900—For, 26,265; against, 28,402. In each case, as is invariably true in referenda, the vote on this question was much lighter than in the election of state officers. Thus, in Oregon, last June, the vote on the general ticket was something over 80,000, while less than 55,000 voted upon the amendment. By nearly a third of the voters the matter was looked upon with indifference. It was the vote of Multnomah County, in which Portland is located, that turned the scale.

<sup>2</sup> In 1883 the territorial legislature passed "An Act to Amend Sec. 3050, Ch. 238 of the Code of Washington Territory," which authorized women to vote. In 1887 the Supreme Court of the territory declared this law void because its object was not declared in its title as the Organic Law of the territory required.—*Harland v. Terr. of Wash.*, Wash. Terr. Reports, III, p. 131.

the voters of Oregon, so late as June, 1900, chose still to retain in their constitution a clause declaring: "No negro, Chinaman or mulatto shall have the right of suffrage."<sup>1</sup> Of course so much of this clause as refers to persons born in the United States and subject to its jurisdiction, and to negroes and mulattoes is rendered obsolete and void by the Fifteenth Amendment; the disqualification of alien Chinese, on the other hand, escapes that fate, since under the present construction of our naturalization law a Chinaman may not become a citizen since he is not "white" in the meaning of the statute.

Three states specifically exclude from the suffrage Indians who have not renounced the tribal relation, North Dakota insisting that this must have been accomplished two years before the applicant may vote.<sup>2</sup>

A further instance of the westerners' openness to new ideas is the favor which has been shown to educational qualifications for the suffrage. Wyoming began her career as a state with a constitutional limitation of the suffrage to those who could read the constitution.<sup>3</sup> California requires that voters be able to read the constitution and write their names, and in 1896 Washington adopted an amendment disqualifying future applicants for the suffrage who should not be able to speak and read the English language;<sup>4</sup> as yet, however, the legislature has passed no law prescribing a method by which this ability may be determined, so that the amendment is not in force. The Colorado constitution authorizes the

<sup>1</sup> Another race discrimination which has been nullified by the Fifteenth Amendment, but which Oregon still retains, is the clause which declares that "no free negro or mulatto, not residing in Oregon at the time of the adoption of the constitution, shall come to reside or be within the state," and prescribing for their deportation, and for the punishment of persons who shall bring them into the state, or employ or harbor them. The amendment proposing the repeal of this clause was defeated June 4, 1900, by a vote of 19,074 to 19,999.

<sup>2</sup> Washington, Idaho and North Dakota.

<sup>3</sup> In *Rasmussen v. Baker*, 50 "Pacific Reporter," p. 819, it was decided that the constitution must be read in English, not in a translation. Later decisions have reaffirmed that contention. *Blydenburgh v. Chatterton*, and *Irons v. Clark*. Supreme Court of Wyoming, November 15, 1897.

<sup>4</sup> Vote: For, 28,019; against, 11,983.



general assembly to prescribe an educational qualification, stipulating, however, that no qualified voter shall be thereby deprived of the right to vote,—a restriction which, in southern states, would rob this test of much of its charm. But the most radical suffrage legislation as yet seriously put forward by any state is the amendment which has received the sanction of the North Dakota voters, during the past year. It provides not only that “the legislature shall by law establish an educational test as a qualification,” but also that it “may prescribe penalties for failing, neglecting or refusing to vote at any general election.”

The other suffrage regulations are more of the conventional type. Seven<sup>1</sup> of the states grant the ballot only to citizens of the United States, and three specify that naturalization shall have been completed at least ninety days before the election.<sup>2</sup> Of the states which accept the aliens' declaration of intention as sufficient, two insist that this shall have been made a year before he may vote.<sup>3</sup> Six of the states,<sup>4</sup>—all but one of them of very recent admission,—require that the voter shall have been resident within the state one year prior to the election; the others shorten the preliminary residence to six months. In the county the period varies from one to six months, and in the town or voting precinct from ten to ninety days. The Oregon constitution contains a unique provision which allows qualified electors to vote in any county of the state for state officers. In none of the states is the payment of a poll tax made a prerequisite, although its requirement is authorized by the constitution of Nevada. In all of the states but one registration in some form is provided for, and in four at least it is made a prerequisite to voting.<sup>5</sup>

<sup>1</sup> California, Nevada, Montana, Washington, Idaho, Wyoming and Utah.

<sup>2</sup> California, Montana and Utah.

<sup>3</sup> Oregon and North Dakota. In the latter the declaration must not have been made more than six years earlier.

<sup>4</sup> California, North Dakota, Montana, Washington, Wyoming and Utah.

<sup>5</sup> Montana, Washington, Wyoming and Utah.

The disqualifications specified in these western constitutions are of the type prevalent throughout the Union. The most common disqualification is that of persons convicted of certain crimes. It will be observed that this does not exclude men who are awaiting trial. Instances are cited where sheriffs have escorted persons of their own political party from the jail to the polls and back. Mr. Henry A. Fanwell, of Worcester, Mass., tells of this having occurred in both Illinois and Ohio. He was well acquainted with both of the sheriffs. One was a Democrat, the other a Republican. In each case the prisoner was charged with larceny. Only California and Nevada have singled out duelists and their abettors for especial disfranchisement. The Utah constitution, while declaring that the clause: "Polygamous or plural marriages are forever prohibited," shall be irrevocable without the consent of the United States and of the people of Utah, makes no reference to polygamy in its suffrage clauses. The constitution of Idaho, on the other hand, in most explicit terms disqualifies any person who is "a bigamist or polygamist, or is living in what is known as a patriarchal, plural or celestial marriage," or who "in any manner teaches, advises, counsels, aids or encourages any person" to enter upon such practices, or who "is a member, or contributes to the support of any order, organization, association, corporation or society," which gives countenance to them. It may not be without significance that, although this portion of the constitution was re-enacted *verbatim* by the legislature as a part of the election law of 1893, the succeeding legislature amended the law by striking out all the clauses which related to polygamy.

## II.

### *What is the basis of representation?*

In a group of states the great majority of whose constitutions have been formed within the past dozen years, it is a

matter of course that the local system of representation has been determined not by a century of development of historic communities which were at last merged in the state, but by present day notions of what is expedient.

One of the most striking contrasts which the western legislatures present is in the smallness of their numbers. The notion that in the multitude of legislators there is safety seems to have found less acceptance in these our newest states than elsewhere. In the senates of 1899 the average membership was 28, the range being from 15 to 40. In the lower houses the average was only 60; Nevada had the smallest, 30; while California heads the list with 80. That these constitutions are made to order and are not the product of slow-growing custom is shown again by the devices for keeping the numbers within what are deemed reasonable limits. To only one of the twenty-two legislative bodies, the Montana senate, does the constitution give the local communities a representative irrespective of population, and here it seems to be a matter of temporary expediency rather than of theoretical necessity. In two states the limit takes the form of a maximum upon the aggregate membership of the two houses together,<sup>1</sup> In four a limited range of increase is allowed to each house, North Dakota being most sanguine of future growth.<sup>2</sup> Two states enjoin that the proportions existing between the two houses in the apportionment made by the constitution shall be preserved in the future,<sup>3</sup> while four constitutions answer the question as to the normal ratio more directly by decreeing that the house shall never have less than twice nor more than three times the members of the senate.<sup>4</sup>

<sup>1</sup> Nevada, limit seventy-five; present aggregate, forty-five, Colorado, limit 100, already reached.

<sup>2</sup> North Dakota, Senate, 30—50, now 31; House, 60—140, now 62.  
 South Dakota, " 25—45, " 45; " 75—135, " 87.  
 Idaho, " 18—24, " 21; " 36—60, " 49.  
 Oregon, " 16—30, " 30; " 34—60, " 60.

<sup>3</sup> Colorado and Oregon.

<sup>4</sup> Nevada, 15—30; Washington, 34—78; Wyoming, 19—38; Utah, 18—45.

It is surprising that the oldest of these states, California, should be the very one to adopt the most artificial system of apportionment, electing members of both senate and house from districts containing as nearly as possible equal blocks of population, excluding the Chinese, while the other states, many of which have been "checker-boarded off" into counties according to the lines of the government survey, nevertheless show not a little regard for county individuality in representation. Thus, under the present law in Montana and in Idaho each county, whatever its population, is accorded one and only one senator. In three of the states senators are apportioned to the several counties according to population.<sup>1</sup> Three distribute the requisite number of senators according to population among districts regardless of county lines,<sup>2</sup> while three assign one to each district.<sup>3</sup>

In the lower house four states make the county the basis of representative apportionment; two—Wyoming and Utah—guaranteeing a minimum of one to each county.<sup>4</sup> California alone attempts to divide the state into equal districts, each electing a single representative. All the other states of the group make use of districts which take some account

<sup>1</sup> Oregon.—Twenty-five counties elect thirty. There is much overlapping; thus, Multnomah County appears in three; it elects five by itself and is in two other counties which each elect a senator, jointly.

Nevada.—Thirteen counties elect one each, and one elects two.

Wyoming.—Eight counties elect one, each; four elect two, and one elects three.

<sup>2</sup> South Dakota, forty-five senators are elected from forty-one districts; thirty-seven elect one each; four elect two; ten of the forty-one districts combine from two to seven counties; the others are single counties.

Colorado.—Twenty-five districts elect one each; two elect two; one elects six. Utah.—Seven composite districts elect one each. The other districts are single counties. Two elect one each; two elect two each, and one elects five.

<sup>3</sup> California, North Dakota, Washington.

<sup>4</sup> Nevada.—Five counties elect one each; four two; two, three; three, four.

Idaho.—Four counties elect one each; ten, two; four, three; two, four, and one, five.

Montana.—Here the constitution speaks in terms of districts, but the last apportionment seems to have been made by counties, as follows: Six counties elect one each; nine, two; four, three; one, four; one, five; one, six; one, seven, and one, twelve.

Wyoming.—Three counties elect one each; three, two; three, three, two, four; one, five, and one, seven.

of county boundaries.<sup>1</sup> North Dakota introduces the only variation of interest; the state having been divided into nearly equal senatorial districts, these same districts are made to serve for the apportionment of representatives.<sup>2</sup>

### III.

#### *How are the legislatures elected?*

Evidence of these constitutions, having been formed upon a common model may be found in many points connected with the election of representatives. In every state the term of members of the lower house is two years; in all except Idaho and South Dakota, the senate is chosen for a term of four years, one-half of the senators going out of office every two years; in these two states alone is the renewal of the senate total at each election. The regular sessions of all the legislatures are biennial, and they all place sharp limits upon the session's length, eight making the limit absolute, while California, Oregon and Idaho fix a day beyond which the compensation shall cease. The limit is sixty days, except in Colorado, where it is ninety, and in Oregon and Wyoming, where it is forty.<sup>3</sup>

In election methods variety is precluded by the prevalence of the one-member districts. In five of the states there are

<sup>1</sup> Colorado.—Forty-five districts elect sixty-five representatives; thirty-six elect one each; three, two; two, three; one, four, and one, thirteen. Twenty-eight of the districts are single counties, several of which are combined with others in the election of joint representatives.

South Dakota.—Forty-eight districts—forty-five of which are single counties—elect eighty-seven representatives; twenty-three elect one each; fifteen, two; seven, three; two, four, and one, five.

Washington.—Twenty-two elect one each; twenty-five, two; two, three.

Utah.—Twenty two elect one each; one, two; one, three; two, four; one, ten.

Oregon.—Fifteen elect one each; five, two; six, three; one, five; one, twelve.

<sup>2</sup> The same device is employed in Illinois, but, while in Illinois each of the districts elect three representatives, in North Dakota the number varies; six districts elect one each; twenty, two; four, three; one, four. If these diversities represent an effort to correct in the apportionment of members of one chamber the inequalities of the other, it suggests a curious provision of the Tennessee constitution of like import. Art. II, Sec. 6.

<sup>3</sup> Oregon and Nevada limit special session to twenty days; Utah to thirty.

no others for the choice of senators;<sup>1</sup> in the others plural constituencies are very rare, and the constitutions show no evidence of an attempt to secure representation of minorities. In the lower houses almost exactly one-third of all the members are chosen from single constituencies, nearly as many more by pairs, and a very considerable number by threes. Most of the states contain one or two larger constituencies, brought about by the prohibition of the dividing of a county or of a city in the formation of representative districts. Thus Washington has one ten-member district; Oregon and Montana each have a district which elects twelve members, and Colorado one of thirteen. All of these are states of many parties whose factional rivalries have brought representatives of diverse views to the legislature.

Throughout the western states the legislators are paid by the day. The rate varies from three dollars in Oregon to eight in California and Nevada; the most common wage is five dollars. All of the states pay a mileage; Montana is the most lavish, paying twenty cents "for each mile necessarily traveled in going to and returning from the seat of government." Four pay fifteen cents and five ten. In South Dakota, by a special referendum, in 1892 the original mileage of ten cents was cut down to five.<sup>2</sup> While several states in the Union have found it necessary to prohibit the use of passes by members of the legislature, Idaho strikes a unique compromise by requiring that the number of miles actually traveled by each member upon a free pass shall be deducted in computing his mileage. The payment of other perquisites is generally prohibited, yet provision is made for the furnishing of stationery, etc., it being provided that such supplies

<sup>1</sup> A least 83 per cent of all the senators in these eleven states are from single-member constituencies; whenever a delegation contains members of several parties, it simply indicates their closely balanced strength.

<sup>2</sup> The constitutional amendment by which the mileage in South Dakota was reduced from ten cents to five was ratified by a vote of 39,364 to 11,236, indicating a widespread opinion that the mileage paid in most states of the Union, in South Dakota, at least, is extravagant.

shall be bought by some state official of the lowest responsible bidder. Idaho allows each member five dollars for "stamps, wrappers and newspapers;" for similar expenditures Nevada sets the limit at twenty dollars, and California at twenty-five. Oregon makes up-to-date provision for furnishing any member of either house in due order with the services of a committee clerk or stenographer for one hour daily, provided such an official is disengaged.<sup>1</sup>

#### IV.

##### *Who are the legislators?*

For the answer to this question the constitutions must first be searched, since they establish certain general qualifications. In these a considerable degree of uniformity is to be observed. Thus, all the states but two, California and South Dakota, require that their legislators shall have completed their citizenship in the United States. Several states content themselves with requiring that the members shall possess merely the electors' qualifications as to residence prior to the election, but the majority now require a year's residence in the county or election district. The oldest and

##### <sup>1</sup> Compensation of Legislators:—

	Per diem, \$8 00	Mileage, 10c.
California . . . . .	" 3 00	" 15c.
Oregon . . . . .	" 8 00	" 15c.
Nevada . . . . .	" 7 00	" 15c.
Colorado . . . . .	" 5 00	" 10c.
North Dakota . . . . .	" 5 00	" 5c.
South Dakota . . . . .	" 6 00	" 20c.
Montana . . . . .	" 5 00	" 10c.
Washington . . . . .	" 5 00	" 10c.
Idaho . . . . .	" 5 00	" 15c.
Wyoming . . . . .	" 4 00	" 10c.
Utah . . . . .	" 4 00	" 10c.
Arizona . . . . .	" 5 00	" 10c.
New Mexico . . . . .	" 4 00	" 10c.
Oklahoma . . . . .	" 4 00	" 10c.

the youngest of these states, California and Utah, agree in requiring the longest preliminary residence within the state,—three years. Five states make no special requirement as to the age of members; three, on the other hand, call for added years from their senators,<sup>1</sup> while the other three allow no one to be eligible to membership in either house who has not reached the age of twenty-five.<sup>2</sup>

There is practical unanimity throughout this group in excluding from membership in the legislature men holding offices of profit under the state or national government, and also in making it impossible for members to retain their seats after accepting any office which has been created or the emoluments of which have been increased during their term of service; California and Oregon distinctly exempt, however, the acceptance of such offices as may be filled by election by the people, on the principle, apparently, that if the voters are satisfied no one else has cause to complain.<sup>3</sup> The specific disqualification of duelists and of their abettors, so frequent in southern constitutions, is to be found only in those of the oldest three states of this group.

If laws were self-operative underhanded legislation would be almost impossible in the western states, for nowhere else have possible legislative iniquities been more explicitly set forth and condemned. Lobbying, bribery and solicitation to bribery are defined in most comprehensive terms; in addition to the ordinary penalties, the legislator convicted of such practices is expelled from his seat and made forever ineligible to membership in the legislature, and in some states disqualified from holding any office of public trust. Such are the provisions to be found in almost identical terms in the constitutions of five of the states; Colorado weakly

<sup>1</sup> North Dakota and Wyoming, 25; Montana, 24.

<sup>2</sup> Colorado, South Dakota and Utah.

<sup>3</sup> The several states draw the line differently as to minor offices, which shall not render a man ineligible. *E. g.*, Nevada excludes postmasters with a salary of over \$500. In South Dakota and Washington, \$300 marks the limit. In Utah none above the fourth class are eligible.



confines the ineligibility to membership in the particular legislature in connection with which the offence was committed. In the attempt to ferret out the misdoings of legislators California, South Dakota, Montana and Wyoming have gone so far as to insert in their constitutions a clause providing that in the prosecution of charges of bribery, or corrupt solicitation, any person may be compelled to testify, "and shall not be permitted to withhold his testimony upon the ground that it may criminate himself, or subject him to public infamy; but such testimony shall not afterward be used against him in any judicial proceedings, except for perjury in giving such testimony."<sup>1</sup> South Dakota and Wyoming incorporate in the members' oath of office a denial of participation in bribery or corruption, and a pledge to abstain from such offences. South Dakota also forbids any member during the term of his service or for a year thereafter to be interested directly or indirectly in any contract with the state or any county, authorized by any law passed during the term for which he was elected.

The western states take little pains to acquaint their legislators with one another's record. Only one legislative directory and one "album" have been available, which shed any light upon the personnel of the law-making bodies. Some other data have been furnished by the secretaries of the several states.

The age of Oregon members is unusually great, the average of the senators being 47.5, and of the representatives, 45.5. Only a fifteenth of the senators and a fifth of the representatives were natives of Oregon; two-thirds of the members of each house came from states east of the Mississippi.

The accompanying table presents the percentage of representation from different callings, in the only states where the data for such a comparison are obtainable:

<sup>1</sup> Constitution of California, Art. V, Sec. 35.

*Occupations of Legislators.*

STATE.	CHAMBER.	Farmers.	Miners.	Lawyers.	Merchants.	Manufacturers.
Oregon . . . . .	Senate . . . . .	10.	3.4	31.	31.	0.
	House . . . . .	33.3	1.7	21.	10.5	3.5
South Dakota . . .	Senate . . . . .	28.8	2.2	22.2	31.1	0.
	House . . . . .	63.2	2.3	4.6	11.5	1.2
Idaho . . . . .	Senate . . . . .	41.2	11.7	29.4	5.9	0.
	House . . . . .	26.3	30.3	15.1	6.0	0.

Percentages based on total number reported.

The most striking points are the slight representation of manufacturing interests, as compared with the eastern states, and the relatively large representation of the agricultural interests, particularly in the South Dakota house, where partiality for farmers seems to be offset by distrust of lawyers.

The Nevada secretary of state reports that 73.3 per cent of the senators and 43.3 per cent of the representatives had had previous legislative experience. In the Colorado, Montana and Wyoming senates experienced legislators constituted 82.8, 58.3 and 68.4 per cent respectively; members of the lower houses naturally have seen fewer years of service, the percentage of experienced members ranging from 14.3 in Montana to 43.3 in Nevada.

Of the four states which admit women to the suffrage, three at least have gallantly elected them to the legislature. The Utah senate and house each have one woman member. In the Colorado house is one woman doctor and two married women. In the Idaho house the two whose Christian names are given without a prefix are listed as Republicans and "housekeepers," while the third, a Mrs. W., is classed as a Populist, Democrat, Silver-Republican "office-holder."

## V.

*To what extent does each state's system of representation make the political complexion of the legislature vary from that of the body of the voters ?*

Under the simplest and most conservative political conditions, any adequate answer to this question is well-nigh impossible.<sup>1</sup> But in the western states these difficulties are vastly increased by the perplexing fusion of party organizations. The cynic might suggest that the politicians of these states have not yet learned that in the long run office-winning campaigns are more successfully carried on by massed and disciplined forces than by guerilla bands. The idealist, on the other hand, would fain see in the dissolving views presented by western politics the attempt of public-spirited men to give effect to their political principles, without suffering their independence of thought and of action to be put entirely at the mercy of self-seeking politicians. Be that as it may, the accompanying table, while showing the unprecedented flux of state politics, at the same time throws some light upon the degree of variation which the system of representation, worked out by each state, has introduced into its law-making body, as compared with the electorate. In each instance the attempt has been to compare the proportion of the aggregate vote for governor cast by each party, with the representation which that party, at the same election, secured in each house of the legislature.

<sup>1</sup> In the ANNALS for March, 1900, p. 82, the writer has discussed these difficulties at length, and also the qualifications with which the results of such a comparison are to be accepted.

*Party Votes Compared with Party Representation.*

STATE.	PARTY.	Percent- age of Vote for Governor.	Party Repre- sentation in Senate.	Party Repre- sentation in House.
California . . .	Republican . . . . .	51.7	65.0	73.8
	Democrat . . . . .	<sup>1</sup> 45.0	35.0	25.0
	Socialist Labor . . . .	1.8	. . . .	<sup>2</sup> 1.2
	Prohibition . . . . .	1.5		
Oregon . . . . .	Republican . . . . .	53.2	80.0	70.0
	Democrat . . . . .	<sup>1</sup> 40.7	10.0	10.0
	People's . . . . .	3.4	10.0	5.0
	Prohibition . . . . .	2.7		
	Silver Republican . . . .	. . . .	. . . .	6.7
	Union . . . . .	. . . .	. . . .	6.7
	Fusion . . . . .	. . . .	. . . .	1.6
Nevada . . . . .	Republican . . . . .	35.5	26.7	33.3
	Democrat . . . . .	20.6	6.6	
	Silver . . . . .	35.7	60.0	56.7
	People's . . . . .	8.3	26.6	<sup>2</sup> 10.0
Colorado . . . . .	Republican . . . . .	35.2	14.3	7.7
	Democrat . . . . .	<sup>1</sup> 62.1	27.7	33.8
	Prohibition . . . . .	2.6	. . . .	0.0
	Populist . . . . .	. . . .	28.4	29.2
	Teller Silver Rep. . . . .	. . . .	31.4	29.2
North Dakota . . . .	Republican . . . . .	58.3	71.0	88.7
	Fusion . . . . .	41.7	29.0	11.3
South Dakota . . . .	Republican . . . . .	49.2	62.2	67.8
	Fusion . . . . .	49.6	37.8	32.2
	Prohibition . . . . .	1.2		
Montana . . . . .	Republican . . . . .	<sup>3</sup> 29.1	25.0	12.9
	Fusion . . . . .	<sup>3</sup> 70.9		
	Democrat . . . . .	. . . .	70.8	81.4
	Populist . . . . .	. . . .	4.1	<sup>4</sup> 5.7
Washington . . . . .				
Idaho . . . . .	Republican . . . . .	34.7	42.9	24.5
	Fusion . . . . .	48.8	23.3	34.6
	People's . . . . .	13.5	9.5	12.2
	Prohibition . . . . .	2.9		
	Democrat . . . . .	. . . .	14.3	28.6

*Party Votes—Continued.*

STATE.	PARTY.	Percentage of Vote for Governor.	Party Representation in Senate.	Party Representation in House.
Wyoming . . .	Republican . . . . .	55.3	63.1	92.1
	Democrat . . . . .	42.2	36.9	7.9
	Populist . . . . .	2.6		
Utah . . . . .	Republican . . . . .	<sup>5</sup> 44.8	11.1	31.1
	Democrat . . . . .	<sup>5</sup> 52.9	77.7	60.0
	Populist . . . . .	<sup>5</sup> 2.3	<sup>1</sup> 11.1	18.9
New Mexico .	Republican . . . . .	52.9	83.3	91.7
	Democrat . . . . .	47.1	16.7	8.3
Arizona . . . .	Republican . . . . .	. . . . .	25.0	45.8
	Democrat . . . . .	. . . . .	75.0	54.2
Oklahoma . . .	Republican * . . . .	58.2	61.5	65.4
	Fusion . . . . .	39.1		
	Populist . . . . .	2.6	7.7	19.2
	Democrat . . . . .	. . . . .	30.8	15.4

<sup>1</sup> Fusion.

<sup>2</sup> Independent.

<sup>3</sup> Vote for Governor in 1896. No election of state officers in 1898.

<sup>4</sup> Silver Republican.

<sup>5</sup> Vote for Judge of Supreme Court.

VI.

*To what extent is the representative system elastic?*

Free from the trammels of tradition, which often upholds the pretensions of rotten boroughs,<sup>6</sup> and proud of the phenomenal growth of their cities, the western states have as yet shown no desire to curb the proportionate influence of urban populations.<sup>7</sup> If restraint does press upon them, it comes indirectly through the guaranteeing of the same representation to all counties, whatever their population, as in

<sup>6</sup> As in Vermont, and, above all, in Connecticut.

<sup>7</sup> As in Rhode Island and New York.

the Montana senate, or through the allotting of at least one member to a county, however small its population.<sup>1</sup> Regard for county individuality leads often to prohibiting the division of a county in forming districts, and also to the prohibiting of the attachment of a part of one county to another for purposes of representation.<sup>2</sup>

But in the attempt to secure equality of representation the chief reliance is placed upon frequent revision and adjustment of the apportionment; indeed, more radical use is made of this device than in any other section. California is the only state which confines itself to the federal census as the basis for its apportionment of members. Eight of the states provide in their constitutions for the taking of a state census midway between those of the national government; six of them direct the legislature to revise the apportionment at the first session after each census, *i. e.*, every five years. South Dakota insists that the reapportionment shall be made at no other time; North Dakota, on the other hand, provides that this may be done at any regular session, while Colorado, Montana and Wyoming authorize the legislature to alter senatorial and representative districts "from time to time, as public convenience may require." Most radical of all, the Idaho constitution omits all reference to any census enumeration, state or federal, as a basis for the apportionment, and, merely fixing the maximum membership of each house, commits the whole matter to the hands of the legislature.

## VII.

### *Representation in the territories.*

Representation in the organized territories claims a moment's attention because, in the first place, these commu-

<sup>1</sup> Idaho, house; Wyoming, senate and house; Utah, house. This is of little effect, however, as in Idaho alone of these states is a rigid maximum fixed by the constitution.

<sup>2</sup> In California, Oregon, Colorado, Montana, Washington, Idaho, Wyoming and Utah; unless the county is entitled to two or more senators

nities are undergoing their apprenticeship for statehood, an apprenticeship which—if the platforms of the two great parties in the present election are to be believed—is soon to end. In the second place, representation in these territories is of interest because it is not of native growth, but embodies the collective wisdom of Congress upon the subject.

In the two older territories the suffrage is confined to citizens of the United States; in Oklahoma it is left within the discretion of the local legislature, subject to the limitations of the federal constitution, and to the further requirement that an alien must not simply have declared his intention to become a citizen, but must also have taken an oath to support the Constitution of the United States. In Arizona registration and the payment of a poll-tax are prerequisites to voting. The New Mexico voter is allowed to vote in a precinct other than that of his residence on taking oath that he has not voted and will not vote elsewhere in this election. Half a dozen crimes are mentioned which disqualify the voter both for the suffrage and for office-holding; petty larceny is included only if twice committed. The Pueblo Indians are excluded except “in the elections for overseers of ditches to which they belong.”

For these states-in-the-making Congress has adopted a ratio of two to one between the upper and the lower chambers, and legislative membership has been fixed at a very low figure. In New Mexico and Arizona the council has twelve members; in Oklahoma, thirteen. Uniformity appears in several other particulars. Both chambers in each of the territories are chosen for a term of two years; their sessions are biennial and are limited to sixty days. The members receive four dollars a day except in New Mexico, where the wage is five dollars. Federal law imposes upon the territories what custom and law, without too great warrant in reason, have made practically universal throughout the states—the lawmakers must be actual residents of their constituencies. The members of the council must come

from single-member districts. As Arizona has but eleven counties, it is provided that the various counties shall jointly elect one member.<sup>1</sup>

But little information is available in regard to the personnel of these legislatures. It is not surprising that comparatively few of the members have had previous legislative experience ; in the Oklahoma legislature about one-third of the councilmen and one-fifth of the representatives had seen previous service, most of them outside of that territory.<sup>2</sup> It is interesting to notice that while the list of members of the Oklahoma legislature of 1899 does not include a single Spanish or Indian name, the list of New Mexico legislators is as un-American as the roll of members of the Spanish Cortes. Another novelty is the provision in the fundamental law of New Mexico that such bills and orders as the legislature shall determine shall be printed in the Spanish language. Mixed nationalities are also evidenced by the presence of an interpreter, a translator and an assistant translator as regular officers of each house of this legislature.

## VIII.

Upon taking his seat as a member of the Academy a few months ago, M. Deschanel, then president of the chamber of deputies, delivered a notable address upon "Democracy." In speaking of the progress achieved by the United States, he said: "Not a day passes among this practical, innovating people but some state makes a new experiment in political science."

In their systems of representation, however, the Americans have certainly shown themselves rather practical than

<sup>1</sup> In the house representation is by counties. Four elect one each ; three, two ; two, three ; two, four.

<sup>2</sup> In New Mexico five of the Councillors and seven of the Representatives had served a previous term in the Legislature.



innovating; their experiments have been rather in the way of adaptation than of invention. Indeed, a survey of the representative systems throughout the Union leaves an impression of general conformity to a common type quite overshadowing minor variations. It is the lack of individuality that is striking. Everywhere the legislature is bicameral; the upper chamber is usually elected for a longer term, and renewed gradually. The relative numbers in the two chambers, however, vary greatly; in the newer states and in the territories one to two, or one to three, seems to have been fixed upon as the normal ratio, but in the older states, where local tradition holds theorizing in abeyance, it becomes one to ten, as in Connecticut, or even one to fifteen, as in New Hampshire.

In deference to the modern interpretation of the demands of equality, in the newer states, counties and towns give place to districts containing approximately equal blocks of population, as the basis of representation.

In personnel the influence of the basis chosen for representation is often clearly discernible; when the local community, as such, regardless of population, is accorded representation the proportion of farmers rises to an abnormal degree, as in New Hampshire and Connecticut. The characteristic industries of different sections naturally find reflection in the legislatures: thus, the manufacturers of the east give place to merchants and miners in the central and western states. Lawyers are everywhere a prominent element, though rarely in the majority.

In his more striking than convincing discussion of the "Causes of Anglo-Saxon Superiority," M. Demolins devotes a chapter to a comparison of the political personnel in France with that in England.—Book III., Ch. 1. He lays great stress upon his demonstration that whereas the French chamber of deputies is "an inverted pyramid," its representatives of the rank and file of the people, of those engaged in agriculture, industry and commerce, being outweighed more than

three to one by members of the liberal professions,<sup>1</sup> officials, and men of no profession, in the English house of commons, on the other hand, the representative pyramid rests on a broad base of representatives from the callings in which the mass of the citizens, and not the privileged few, are engaged. It is not the present purpose to challenge the validity of this comparison, although at first glance the question might suggest itself, whether, for example, the members who are accredited to agriculture in the two countries really belong to the same social and economic class, and whether the large group under the title "No Profession" has not its counterpart in the English commons. It is of interest, however, to note that American state legislatures follow much more closely the English rather than the French type. The absence of officials in the lists of members of American legislatures is necessitated by stringent provisions of the constitutions. It is to be remembered, on the other hand, that both the house of commons and the chamber of deputies are *national* legislative bodies, in a system of government in which not the severance but the merging of the legislative and executive departments is the characteristic feature.

*Comparative Personnel of Legislatures.*

OCCUPATION.	France Ch. of D.	England H. of C.	Connecti- cut H. R.	Michigan H. R.	Louisiana H. R.	South Dakota H. R.
Office Holders . . . . .	17.2	8.1	2.0		1.0	
Army and Navy . . . . .	1.0	11.1				
Liberal Professions . . . . .	49.0	18.4	11.8	25.0	27.6	5.7
(Lawyers) . . . . .	(25.2)		(8.9)	(19.)	(24.0)	(4.6)
Commerce . . . . .	4.0	17.2	22.7	20.	28.6	17.2
Industry . . . . .	7.4	22.5	20.0	13.	3.1	13.8
Agriculture . . . . .	13.0	23.8	40.2	41.	36.7	63.2
No Profession . . . . .	7.8		3.3	1.	1.0	

There can be no doubt that in the last quarter of a century state legislatures have fallen much in general esteem.

<sup>1</sup> Indeed, the lawyers alone exceed by three the aggregate number of deputies from agriculture, industry and commerce.

Critics, American not less than foreign, unite in attributing to them the worst faults of state governments. The people, like Frankenstein, have come to distrust and fear their own creature and servant. In many ways they seek to curb the legislature's power for evil, even if its power for good be checked at the same time. Sessions are limited; the competence of the legislature is sharply defined, both as to the subjects upon which it may make laws and the methods of legislative procedure; conventions are summoned, and the opportunity is seized to pack all sorts and conditions of laws into the constitution, that these they may be safe from the hands of the people's representatives; and, finally, earnest advocates are urging the adoption of direct legislation, frankly acknowledging that it would make of the legislature merely a consultative body with no serious responsibility upon any measure of moment.

The purpose of the present series of papers has been, not to assail or to defend any particular system of representation, but simply to analyze the actual systems in operation in the several states. Inadequate as this survey has been,—imperfect as it must be, from the very nature of the material,—it may, nevertheless, serve as the basis for directing attention anew to some of the familiar causes of the deterioration observable in many of our legislatures. Assuming for the moment that legislation through representatives, rather than by the voters in primary assembly, is desirable, the question becomes, why do we get such unworthy representatives? The old saying, that every people has the government that it deserves, might, with almost equal truth, be applied to our bodies of representatives. Whatever their defects, ultimate responsibility for their shabby work must rest upon the electors who have put them in office. If we flatter American pride by assuming that the vast majority of the electors are men of integrity and public spirit, where shall the responsibility for the miscarriage of the representative system be placed?

In the first place, it is evident that not a few of the evils in our present system arise out of an illogical assignment of functions to the state legislatures. It needs no argument to prove that the choice of United States senators is not at all a legislative act. DeTocqueville to the contrary, it may be doubted whether this indirect election has ever been a cause contributing materially to the excellence of the senate. But that it has been a source of disorganization and corruption to the electing body, the slightest familiarity with the last half decade's politics in New York, Pennsylvania, Ohio, Delaware, Oregon, California, and Montana,—not to extend the list unduly,—leaves no room to doubt. “There is no knife so sharp as legislation,” says Emerson. An amendment introducing the election of senators by the people might have consequences for the senate quite other than those ordinarily predicted; it may well be questioned whether the personnel of the senate would be improved by the change. Majorities can be as adroitly managed at the polls as in the legislature; it has been claimed that popular election would have given us Quay, and Clark, and perhaps Addicks, as members of the present senate. There is more ground for urging popular choice with a view to bettering the state legislatures. It would at least remove the blur from the voter's mind in the state election; he would no longer be called upon to vote for an official whose main business, ostensibly, would be to determine matters relating to education, business law, taxation, etc., but whose chief function would really be the choice of a dispenser of federal patronage. From the state legislator, also, the popular choice of senators would remove a frequent source of temptation to look upon state politics merely as a pawn in the larger game, if to do nothing more palpably discreditable.

The last few years have emphasized another evil, growing out of the apportionment of powers between Congress and the state legislatures, entirely unforeseen by the framers of the constitution. Power to regulate commerce between the

states is given to Congress; but the power to incorporate companies which shall do business, it may be on the other side of the continent, is left in the hands of the state legislatures. The evil consequences are too familiar to need enumeration. "Wheresoever the carcass is, there will the eagles be gathered together." With the opportunities for plunder what they are, what are the chances, as a mere problem in probabilities, that a New Jersey legislature, with its seat midway between New York and Philadelphia, will remain free from all taint of corruption throughout its session?<sup>1</sup>

In voting for state legislators men usually follow the line of least resistance in accepting the nominations of their respective parties. Indeed, this becomes almost inevitable where the shadow of an approaching election of United States senator is to be seen. Yet the spheres of action of Congress and of the state legislature have comparatively little in common. Capacity for serving the commonwealth's varied needs should be the one thing sought. Greater freedom of nomination must be recovered, if legislatures are to be improved. It is but the empty husk of representation, where the candidate is the choice, not of the men who are to elect him, but of the "ring,"—where Platt or Croker names *his* representative, and whips us all into line to register his will under the lash of "loyalty to party."

Aside from these conditions associated with the federal system, there are others connected with the state constitutions and their administration, which conduce to unsatisfactory results in the legislative bodies. Two of these are among the unfortunate corollaries of a new and ill-considered notion of equality. In many states by specific constitutional requirement, and practically everywhere by custom, it is insisted that a legislator must be a resident of the constituency which he represents. Congress has sanctioned this requirement by making it law for each of the territories. It

<sup>1</sup> Much stress is laid upon this point by Mr. Eltweed Pomeroy, Secretary of the Direct Legislation League of New Jersey.

would be easy to prove that this sentiment is "un-American," in the sense that in the earliest colonial legislatures this insistence upon residence within the district did not obtain.<sup>1</sup> It is not less easy of proof that despite the member's more minute knowledge of his district's needs, representation is degraded by this restriction. It leads the member to regard the local, the petty, as outweighing the general interest; is it not to his own district that he standeth or falleth?<sup>2</sup> It narrows the field of choice, if indeed it does not at times foreordain that the member must be of little fitness, moral or intellectual, for legislative work. It discourages men of merit from consenting to become candidates, and checks many a career which has opened with promise of great advantage to the public.

The second unfortunate corollary of the growing American notion of equality is the insistence upon narrowing the constituency. The vast majority of the members of American legislatures are elected from single-member districts. The results are most odious in those states where no regard is paid to population, as in the Connecticut house and Rhode Island senate, where the influence of large and flourishing cities, teeming with the characteristic industries of the state, is balanced by that of an equal number of rapidly dwindling country towns. When coupled with the insistence upon residence within the district, this narrowing of the constituency puts absurd restraint upon the range of choice of material for the legislatures. Even if one be a firm believer in the impracticability of proportional representation,

<sup>1</sup> During the first sixty years of representative government in the Massachusetts Bay Colony it was quite the custom for distant towns to choose, as their deputies, gentlemen living nearer the centre of the government. Residence within the constituency was first required in 1694.—"Representation and Suffrage in Massachusetts," 1620-1690, p. 24.—George H. Haynes.

<sup>2</sup> "If by a fair, by an indulgent, by a gentlemanly behaviour to our representatives, we do not give confidence to their minds, and a liberal scope to their understandings; if we do not permit our members to act upon a *very* enlarged view of things; we shall at length infallibly degrade our national representation into a confused and scuffling bustle of local agency."—Burke, Speech at Bristol previous to the Election. "Works," ii, p. 130.

he cannot fail to recognize grave elements of injustice and of impolicy in the single-member system. It is unjust that large minorities—made minorities, very likely, only by a skillful gerrymander—should be allowed no voice in the discussion of the affairs of the state within the legislature. Yet Illinois is the only state which takes any notice of this injustice. A single illustration will suffice. In two adjoining states the results of the election in 1898 were as follows:

STATE.	PARTY.	Percent- age of vote for Governor.	Percent- age of members, Senate.	Percent- age of members, House.
Illinois . . . .	Republican . . . . .	51.1	66.6	52.9
	Democrat . . . . .	46.2	31.4	46.4
	Prohibition . . . . .	1.3	. . .	.7
	People's . . . . .	.9	2.	
	Socialist Labor . . . .	.5		
Wisconsin . . .	Republican . . . . .	52.6	93.9	81.
	Democrat . . . . .	41.1	6.1	19.
	Prohibition . . . . .	2.4		
	People's . . . . .	2.6		
	Socialist Democrat . .	.8		
	Socialist Labor . . . .	.4		
	Scattering . . . . .	.1		

The contrast in party showing between the Illinois senate and house is itself instructive, since for the senate the single-member district is the unit. The closeness of correspondence between the party vote for state officers and party representation in the house is evidence that the leading minority party does here secure representation very nearly in proportion to its strength. In Wisconsin, on the other hand, the minority's showing is far from proportionate. If it be true, as Pym asserted, that "the best form of government is that which doth actuate and inspire every part and member of a state to the common good," it can hardly be contended that this single-member system, with its discouragement of all political effort on the part of nearly half of the electors,

will bear the test. Another element in the impolicy of the system is the instability to which it leads; for if the plurality be but small, the turning of only a few votes entirely reverses the influence of this constituency.

The discussion in the last few paragraphs has proceeded upon the assumption that representative government, or rather, legislation through representatives, is desirable. But is that assumption warranted? Already South Dakota has adopted both the initiative and the referendum; other states have taken preliminary steps in the same direction. There is no disputing the growth of sentiment in favor of direct legislation—a sentiment which took its rise in the fear and distrust generated by the scandalous work of many a legislature, but which now finds its chief support in a distorted theory of democracy. The attack is no longer merely upon bad representatives—it is upon representation itself.

Whether we deem representative government worth preserving will depend largely upon what we think a representative should be. If he is to be simply a mouthpiece, a transmitter, for declaring upon each question the opinion of his constituents, representation may well be regarded as of doubtful utility, if not of probable danger. But such was not Burke's conception of this office. To his Bristol constituents he boldly declared: "I did not obey your instructions: No. I conformed to the instructions of truth and nature and maintained your interest, against your opinions, with a constancy that became me. A representative worthy of you ought to be a person of stability. I am to look, indeed, to your opinions; but to such opinions as you and I *must* have five years hence. I was not to look to the flash of the day. I knew that you chose me, in my place, along with others, to be a pillar of the state, and not a weathercock on the top of the edifice, exalted for my levity and versatility, and of no use but to indicate the shiftings of every fashionable gale."<sup>1</sup>

<sup>1</sup> Speech at Bristol previous to the Election, 1780.



That representation at its best possesses excellencies which direct legislation can never claim, may be seen by contrasting the solemn sense of responsibility, the patience of debate, the tireless search for and comparison of precedents, the forbearance where concession was necessary, which characterized the constitutional convention of 1787, with the windy harangues, the crude logic and the wild denunciations which greeted its masterly work in the town meeting and county court. That the ratification of the constitution would have been impossible, had it been left to the decision of the people instead of to that of their representatives, no student of history can deny.

In the success which has attended American government thus far no small element has lain in the fact that from the beginning the people have chosen to put checks upon their own action. Says Webster: "We are not to take the will of the people from public meetings, nor from tumultuous assemblies, by which the timid are terrified, the prudent are alarmed, and by which society is disturbed. These are not American modes of signifying the will of the people, and they never were. If anything in the country, not ascertained by a regular vote, by regular returns and by regular representation, has been established, it is an exception, and not the rule; it is an anomaly which, I believe, can scarcely be found."<sup>1</sup>

If in recent years many representatives have proved unworthy, the vital questions are: Why did we elect men so weak or so vicious? have we surrounded them with temptations which are almost irresistible? The average voter wants good laws; but he is far better qualified to judge of the intelligence and integrity of a man than to decide intricate questions of economics and politics. The lack of representation greatly hampered the governments of Greece and of Rome; it was among our own Germanic forefathers that it took its rise. If the spirit and teaching of Burke and of

<sup>1</sup> Webster's "Works," vi, p. 225.

Webster are not entirely outworn, English-speaking men will not grudge their best efforts to make good their faith in representation before reverting to the crude law-making processes which it displaced centuries ago. It is futile to drift along with the lazy plea that it is too hard work to reform our state legislatures. Eternal vigilance will ever be the price of liberty. What the present problem demands is not the devising of new and more complicated machinery, but the courageous and persistent bringing to bear of the old-fashioned virtues of fair-dealing and honesty upon the choice and guidance of our representatives. If it be a hopeless task to find any means of enlisting these homely virtues in so simple a task as the choice of representatives, then is our faith in democracy vain.

GEORGE H. HAYNES.

*Worcester Polytechnic Institute.*

## PERSONAL NOTES.

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### AMERICA.

**Bowdoin.**—Dr. G. S. Callender<sup>1</sup> has been appointed Professor of Political Economy and Sociology at Bowdoin College, succeeding Professor Emery. In recent years Dr. Callender has been Instructor in Political Economy in Harvard University.

**Brooklyn Polytechnic Institute.**—Dr. Frank Wadleigh Chandler, formerly Instructor, has recently been appointed Assistant Professor of Literature and History at the Brooklyn Polytechnic Institute. Born in Brooklyn, June 16, 1873, he attended public schools and the Polytechnic Institute, where he obtained the degree of Bachelor of Arts, 1894. He pursued graduate studies abroad in Oxford, London and Paris, and at Columbia University, where he received the degree of A. M. in 1896 and Ph. D. in 1899.

**Bryn Mawr College.**—Professor Lindley M. Keasbey<sup>2</sup> has been appointed Professor of Political Science at Bryn Mawr College, where he has occupied a professorship since 1894. His more recent publications include:

"*The Nicaragua Canal and the Monroe Doctrine.*" New York: Putnam's, 1896.

"*The Economic Foundations of Society.*" (Translated from the French of Achille Loria and edited with translator's preface.) London: Swan Sonnenschein, 1899.

"*Political Relations of the United States with the Far East.*" ANNALS, May, 1899. Supplement.

"*The Terms and Tenor of the Clayton-Bulwer Treaty.*" ANNALS, November, 1899.

"*The Political Aspects of the Canal Question.*" Review of Reviews, November, 1899.

"*The Urgent Need of Inter-oceanic Communication.*" Political Science Quarterly, December, 1899.

"*The Institution of Society.*" International Monthly, April, 1900.

**Columbia University.**—Mr. James Thomas Shotwell has been appointed Assistant in History at Columbia University. He was born

<sup>1</sup> See ANNALS, vol. x, p. 253, September, 1897.

<sup>2</sup> See ANNALS, vol. v, p. 104, July, 1894.

at Strathroy, Ontario, and graduated from the University of Toronto with the degree of A. B. in 1898. He has since been engaged in post-graduate study at Columbia University.

**Columbia University.**—Dr. Max West has been appointed Associate Professor of Social Economics in the School of Graduate Studies at the Columbia University, Washington, D. C. He was born November 11, 1870, at St. Cloud, Minn., and received his college education at the University of Minnesota, where, in 1890, he obtained the degree of B. S. After some experience in newspaper work at Minneapolis, he went to Columbia University for graduate study, and received the degree of Ph. D. in 1893. He then took up settlement work in Chicago and at the same time occupied the position of Honorary Fellow in Political Economy, 1893-94, and Docent in Sociology, 1894-95, in the University of Chicago. In 1895 Dr. West was on the editorial staff of the *Chicago Record*, and in the fall of that year became lecturer on Taxation and Finance at Columbia University, during the absence of Professor Seligman. In 1896 he entered the government service in the Division of Statistics of the United States Department of Agriculture.

Dr. West is a Councilor of the American Economic Association, a member of the American Academy of Political and Social Science, the American Statistical Association, and the Washington Economic Society. Besides a large number of signed and unsigned reviews in the economic journals, Dr. West has written:

"*The Inheritance Tax.*" Columbia University Studies in History, Economics and Public Law, Vol. IV, No. 2. New York, 1893. 8vo, 139 pp. (Second edition in preparation.)

"*The Gould Millions and the Inheritance Tax.*" Review of Reviews, February, 1893.

"*The Theory of the Inheritance Tax.*" Political Science Quarterly, September, 1893.

"*Le taxe successorale.*" (Translation of the above.) Revue de l'enregistrement (Paris), 1895.

"*The Teachings of Political Economists Defining Direct and Indirect Taxes.*" New York, 1895. 8vo, 38 pp. (Submitted to the Supreme Court in the Income Tax Cases.)

"*Chicago Commons and Its Summer School.* Our Day and the Altruistic Review, October, 1895.

"*Progressive Inheritance Taxes.*" North American Review, May, 1897.

"*State Aid to Agriculture.*" The Gentleman Farmer, July, 1897.

"*The Legality of Progressive Taxation.*" North American Review, December, 1897.

"*The Franchises of Greater New York.*" Yale Review, February, 1898.

"*Washington Franchises.* (Communication in "Notes on Municipal Government.") Annals of the American Academy of Political and Social Science, May, 1898.

"*Our New War Taxes.*" American Monthly Review of Reviews, July, 1898.

"*Recent Inheritance Tax Statutes and Decisions.*" Journal of Political Economy, September, 1898.

"*The Public Domain of the United States.*" Yearbook of the Department of Agriculture, 1898.

"*Municipal Franchises in New York.*" Chapter V of Municipal Monopolies (Library of Economics and Politics), 1899.

"*The Nature of Municipal Franchises.*" (Abstract of a paper read before the American Economic Association, New Haven, 1898.) Supplement to Economic Studies, April, 1899.

"*The Distribution of Property Taxes between City and Country.*" Political Science Quarterly, June and September, 1899.

"*The Fourteenth Amendment in the Light of Recent Decisions.*" Yale Review, February, 1900.

"*The Sociology of the Kindergarten.*" Outlook, June 23, 1900.

"*A List of Free Employment Agencies for the Use of Farmers.*" United States Department of Agriculture, Division of Statistics, Miscellaneous Bulletin No. —, 1900. (In press.)

"*Unemployment and Some of Its Remedies.*" A paper read before Section I of the American Association for the Advancement of Science, New York, 1900.

The Hon. Carroll D. Wright has been appointed Professor of Statistics and Social Economics in the School of Jurisprudence and Diplomacy in Columbian University at Washington, D. C. Some time since the ANNALS published a notice of Mr. Wright's life and activity.<sup>1</sup> It gives us pleasure to add that in 1897 Mr. Wright received the degree of Ph. D. from Dartmouth College, Hanover, N. H. On the death of President Walker, he was elected President of the American Statistical Association, and is affiliated with the following organizations in addition to those already named: Fellow, Academy of Political Science; National Geographic Society; Washington Academy of Sciences; President, Washington Economic Society; International Association for Comparative Jurisprudence and Political Economy; associate member, Statistical Society of Paris; corresponding member, Institute of France; honorary member, Imperial Academy of Sciences, Russia.

<sup>1</sup> See ANNALS, vol. vii, p. 86, January, 1896.

Mr. Wright has added to his long list of official reports the following:

"*Work and Wages of Men, Women and Children*" (1895-96); "*The Housing of the Working People*" (1895); "*Economic Aspects of the Liquor Problem*" (1897); "*The Italians in Chicago*" (1897); "*Hand and Machine Labor*" (1898); "*Water, Gas and Electric Light Plants under Private and Municipal Ownership*" (1899); "*History and Growth of the United States Census*" (1900).

He has also published:

"*American Labor.*" In *One Hundred Years of American Commerce*, New York, 1895.

"*The Federal Census.*" *The Forum*, January, 1896.

"*Criminal Statistics.*" *Catholic University Bulletin*, April, 1896.

"*Workmen and Wages in the Textile Industry.*" In *Jubilee Number of Dry Goods Economist*, New York, 1896.

"*Prison Labor.*" *North American Review*, March, 1897.

"*The Industrial Progress of the South.*" In *Proceedings of Thirteenth Annual Convention of National Association of Officials of Bureaus of Labor Statistics*, Nashville, May, 1897.

"*Francis Amasa Walker.*" An address delivered before the American Statistical Association, at Boston, April 16, 1897. Printed in *Publications of American Statistical Association*, June, 1897.

"*Art in Relation to Social Well Being.*" *Munsey's*, July, 1897.

"*Do Labor-Saving Machines Deprive Men of Labor?*" *Chautauquan*, August, 1897.

"*Are the Rich Growing Richer and the Poor Poorer?*" *Atlantic Monthly*, September, 1897.

"*Are Women Hurting the Chances of Men in Business?*" *Chautauquan*, October, 1897.

"*The Relation of Production to Productive Capacity,*" Part I. *Forum*, November, 1897.

"*Building and Loan Associations.*" *American Supplement to Encyclopedia Britannica*, New York, 1897.

"*Benefit Societies.*" *American Supplement to Encyclopedia Britannica*, New York, 1897.

"*Labor Organizations.*" *American Supplement to Encyclopedia Britannica*, New York, 1897.

"*The Relation of Production to Productive Capacity,*" Part II. *Forum*, February, 1898.

"*Industrial Arbitration in Congress.*" *Gunton's Magazine*, April, 1898.

"*Outline of Practical Sociology.*" Pp. 431. New York, N. Y., 1899.

"*Religion and Sociology.*" An address delivered before National Conference of Unitarian Churches, Washington, D. C., October 19, 1899. Printed in *Christian Register*, November 2, 1899, and in *Proceedings of Congress*.

"*Advantages of a Uniform Classification of Commercial Statistics by Different Countries.*" An address read before International Commercial Congress at Philadelphia, Pa., October 23, 1899. Printed in *Proceedings of Congress*, same date.

"*Prison Labor.*" *Catholic University Bulletin*, October, 1899. Also in *Proceedings of Annual Congress of National Prison Association*, Hartford, Conn., September 23-27, 1899.

"*The United States.*" In *Statesman's Year Book* for 1899, American edition.

"*The Economic Development of the District of Columbia.*" An address read before Washington Academy of Sciences, April 22, 1899. Printed in *Proceedings of the Academy*, December 29, 1899.

"*Hand and Machine Labor.*" *Gunton's Magazine*, March, 1900.

"*Savings Institutions as a Social Force.*" *American Banker*, May 23, 1900.

"*Reasons for Low Wages in the South.*" *Leslie's*, June 9, 1900.

"*The Commercial Ascendency of the United States.*" *Century Magazine*, July, 1900.

**Harvard University.**—Mr. A. Lawrence Lowell<sup>1</sup> has been appointed Professor of the Science of Government at Harvard University. Mr. Lowell has recently written:

"*Colonial Civil Service, 1900.*" (Conjointly with Professor H. Morse Stephens.)

"*The Judicial Use of Torture.*" *Harvard Law Review*. December, 1897, and January, 1898.

"*Les partis Politiques aux Etats-Unis.*" *Revue du Droit Public*. January-February, 1898, and March-April, 1898.

"*Oscillations in Politics.*" *ANNALS*, July, 1898.

"*Colonial Expansion of the United States.*" *Atlantic Monthly*, February, 1899.

"*The Government of Dependencies in Foreign Relations of the United States.*" Supplement to *ANNALS*, May, 1899.

"*The Status of Our New Possessions.*" *A third view.* *Harvard Law Review*, November, 1899.

**Johns Hopkins University.**—Dr. E. Dana Durand<sup>2</sup> has been appointed Lecturer on American Finance for the ensuing year at the Johns Hopkins University. Professor Durand has occupied the post

<sup>1</sup> See *ANNALS*, vol. x, p. 255, September, 1897.

<sup>2</sup> See *ANNALS*, vol. x, p. 431, November, 1897.

of Assistant Professor of Finance and Administration at the Leland Stanford University since January, 1898, and is at present on leave of absence in Washington, where he is acting as editor for the Reports of the Industrial Commission. He has recently published:

"*Political and Municipal Legislation in 1897.*" ANNALS, March, 1898.

"*Political and Municipal Legislation in 1898.*" ANNALS, March, 1899.

"*Taxation as a Partial Substitute for Borrowing for Permanent Municipal Improvements.*" Report Annual Meeting American Economic Association, 1900.

"*Council Government vs. Mayor Government.*" Political Science Quarterly, September, 1900.

Mr. William Franklin Willoughby has been appointed lecturer in Social Economics at the Johns Hopkins University. He was born at Alexandria, Va., July 20, 1867, and after passing through the Washington High School, attended the Johns Hopkins University from which he graduated in 1888 with the degree of A. B. Since 1889 he has been a statistical expert in the Department of Labor at Washington. He has pursued numerous investigations for the Department in Europe and represented it at a number of international gatherings. Mr. Willoughby is a member of the Royal Statistical Society of London and of the American Economic and American Statistical Associations. He has published a large number of articles in the scientific journals. His more recent writings are:

"*Workingmen's Insurance.*" 1898. 386 pp.

"*United States Government and Administration.*" (In collaboration with W. W. Willoughby,) Johns Hopkins Studies in History and Politics.

"*Schools for Recruiting the Civil Service in France.*" Annual Report Commission of Education, 1891-92.

"*State Activities and Politics.*" Annual Report of the American Historical Association, 1890.

"*Statistical Publication of the United States Government.*" ANNALS, Vol. II.

"*The Musée Social in Paris.*" ANNALS, January, 1896.

"*Statistique des Accidents des Employés de Chemins de fer aux États-Unis.*" A paper read before the Congrès International des accidents du travail at Milan, 1894.

"*Insurance Against Unemployment.*" Political Science Quarterly, 1897.

"*Government Publications.*" Yale Review, 1896.

"*The Sociétés de Secours Mutuels of France.*" Yale Review, 1897.



"*The Concentration of Industry in the United States.*" Yale Review, 1898.

"*The Modern Movement for the Housing of the Working Classes in France.*" Yale Review, 1899.

"*Present Labor Problems in France.*" Quarterly Journal of Economics, 1899.

"*Industrial Communities in Europe.*" Five articles in Bulletin of the United States Department of Labor, Nos. 3, 4, 5, 6, 7.

"*The Inspection of Factories and Workshops in the United States.*" Bulletin of the United States Department of Labor, No. 12.

"*Foreign Labor Laws.*" A series of articles in the Bulletin of the United States Department of Labor, Nos. 25, 26, 27.

**Leland Stanford.**—Professor Amos G. Warner,<sup>1</sup> who had retired from his academic duties on account of ill health, died at Las Cruces, New Mexico, January 17, 1900. His failing health dated from 1894, and while he made at times strenuous efforts to resume active labors, his latter years were spent chiefly in the effort to regain strength. His last published work, apart from some newspaper writing, was a paper on "Politics and Crime," published in the Proceedings of the National Prison Association of 1895. His work on "American Charities" was published in 1894. He also published in the September, 1894, issue of the American Statistical Association Quarterly an article on "Causes of Poverty Further Considered."

**Massachusetts Institute of Technology.**—Dr. William Z. Ripley<sup>2</sup> has been promoted to the position of Associate Professor of Economics and Sociology in the Massachusetts Institute of Technology. He has published in recent years:

"*Une carte de l'Indice Cephalique en Europe.*" L'Anthropologie, 1896.

"*Ethnic Influences in Vital Statistics.*" Publications of American Statistical Association, 1876.

"*Bibliography of the Anthropology and Ethnology of Europe.*" Bulletin Boston Public Library. 1899.

"*The Races of Europe.*" New York, 1899. Pp. xxviii, 640.

"*Colored Population of African Descent.*" Federal Census. Publications of American Economic Association. New series. Vol. II. 1899.

"*Ethnic Theories and Movements of Population.*" Quarterly Journal of Economics, 1900.

**Mercer University.**—Dr. Edmund Cody Burnett has been appointed Professor of History and Philosophy in Mercer University, Macon, Ga. He was born at Franklin, Alabama, and received his

<sup>1</sup> See ANNALS, vol. iv, p. 461, November, 1893.

<sup>2</sup> See ANNALS, vol. vi, p. 292, September, 1895.

early education in private schools and the Carson and Newman College, Mossy Creek, Tenn., where he received the degree of A. B. in 1888. Entering Brown University he took the degree of A. B. in 1890. He taught mathematics, and later Greek and modern languages at the Carson and Newman College, and in 1894 became Instructor in Greek, at Brown University. Devoting himself to historical studies, he occupied the posts of Instructor in History, 1895-99, and Assistant in Political Economy, 1897-99. In 1897 Brown University conferred upon him the degree of Ph. D. In 1899 he became Professor of English and German at Bethel College, Kentucky. Dr. Burnett has published: "*Government of Federal Territories in Europe.*" Report of American Historical Association, 1896.

"*Guide to Lists and Descriptions of American Historical Manuscripts, Ibid.* 1897.

**University of Minnesota.**—Dr. Frank L. McVey<sup>1</sup> has been recently appointed Professor of Economics in the University of Minnesota. He entered the institution as Instructor in 1896 and was made Assistant Professor in 1898. His recent writings are:

"*The Tin Plate Industry.*" Yale Review. November 1898.

"*The Tin Plate Combination.*" *Ibid.* August, 1899.

"*The Handbook of Minnesota,* 1898.

**University of Nebraska.**—Mr. Charles Sumner Lobingier has been appointed Professor of Law in the University of Nebraska. He was born April 30, 1866, at Lanark, Ill., but spent his early boyhood in New York and New England. He attended the Nebraska State University, both academic and law departments, receiving the degrees of A. B. in 1888, M. A. in 1892, and LL. M. in 1894. Upon completing his undergraduate work he was also elected to membership in the Phi Beta Kappa Society, and subsequently attended the Harvard Law School. From 1888 to 1892 he was Assistant Reporter of the Nebraska Supreme Court and State Librarian. In 1891 he was Associate Compiler of the Consolidated Statutes of Nebraska, and is now Vice-President of the State Historical Society. Since 1892 he has been in the active practice of law in Omaha. He has also been engaged in legal literary work, and has contributed more than thirty articles to the encyclopedias of law and of practice, the following among them being directly within the sphere of political science, legal history, or comparative jurisprudence:

"*Constitutional Law.*" Encyclopedia of Law (second edition), Vol. 6.

"*Equity.*" Encyclopedia of Law (second edition), Vol. 11.

"*Governor.*" (The office treated from a legal and historical standpoint.) Encyclopedia of Law (second edition), Vol. 14.

<sup>1</sup> See ANNALS, vol. viii, p. 360, September, 1896

Mr. Lobingier has also written:

"*Citizenship of Hawaiians.*" The Nation, December 16, 1897.

"*Some Peculiar Features of the Nebraska Constitution.*" ANNALS, May, 1900.

Dr. E. Benjamin Andrews<sup>1</sup> has accepted the Chancellorship of the University of Nebraska.

**University of North Carolina.**—Mr. Charles Lee Roper has been appointed Professor of History at the University of North Carolina. Born April 10, 1870, at High Point, Guilford County, N. C., he attended schools at High Point and Oak Ridge, before entering Trinity College, North Carolina, from which he graduated with the degree of A. B. in 1892. Becoming instructor of Greek and Latin at his *Alma Mater* upon graduation, he went in 1894 as professor in these branches to Greensboro College, Greensboro, N. C. In 1898 he became university fellow in American History at Columbia University, where he has since been engaged in graduate study. His writings include:

"*The Church and Private Schools of North Carolina.*" 1898. Pp. 247.

"*The Royal Government of North Carolina.*" (In preparation.)

**Ohio State University.**—Dr. Frederick C. Clark,<sup>2</sup> of the Ohio State University, has recently been appointed Professor of Economics and Sociology at that institution. Professor Clark has recently been active in the establishment in the university of a four-year course in Commerce and Administration. His recent publications include:

"*Nicaragua Canal.*" Columbus Despatch, December 6, 1898.

"*Higher Education in Commerce.*" Indianapolis, 1889.

"*Vital and Social Statistics in Ohio for 1898.*" Report of the Secretary of State.

**University of Pennsylvania.**—Dr. Edward Sherwood Meade has been appointed Instructor in Commerce and Industry at the University of Pennsylvania. He was born at Medina, O., January 25, 1874, obtained his early education in the Oberlin High School and Oberlin Preparatory School, entering Oberlin College in 1892. In 1893 he went to DePauw University, where he obtained the degree of A. B. in 1896. He pursued graduate studies at the University of Chicago, 1896-98, and at Pennsylvania, 1898-99, where, in 1899, he obtained the degree of Ph. D. During the past year Dr. Meade has been Senior Fellow in Economics at the University of Pennsylvania. He has written:

"*Gold and Silver in Terms of Commodities.*" Journal of Political Economy, March, 1897.

<sup>1</sup> See ANNALS, vol. xiii, p. 91, January, 1899.

<sup>2</sup> See ANNALS, vol. xii, p. 110, July, 1898.

"*The Fall in the Price of Silver since 1873.*" *Ibid.*, June, 1897.

"*The Production of Gold since 1850.*" *Ibid.*, December, 1897.

"*The Deposit Reserve System of the National Banking Law.*" *Ibid.*, March, 1898.

"*The Relative Stability of Gold and Silver.*" *ANNALS*, July, 1899.

"*The Production of Silver since 1893, and its Probable Future.*" *Ibid.*, November, 1899.

**Dr. William Harvey Allen** has been appointed Instructor in Public Law at the University of Pennsylvania. He was born at Lerry, Minn., February 9, 1874, and received his early education at the public schools of his native town and the Northfield Academy, Northfield, Minn. In 1891 he entered Carleton College, and in 1894 the University of Chicago. From the latter he received the degree of A. B., in 1897. He has pursued graduate studies at Berlin, Leipsic, the University of Chicago, and the University of Pennsylvania, where, in 1900, he received the degree of Ph. D. Dr. Allen has written :

"*The Illinois Central Tax.*" *Journal of Political Economy*, June, 1897.

"*The Rise of the National Board of Health.*" *ANNALS*, January, 1900.

"*Rural Sanitation in England.*" *Yale Review*, February, 1900.

**Princeton University.**—Dr. John H. Finley<sup>1</sup> has been appointed Professor of Political Science at Princeton University. Since resigning the presidency of Knox College, Galesburg, Ill., Dr. Finley has been connected with the publishing houses of Harper Brothers, and McClure, Phillips & Co.

**South Carolina College.**—Mr. George McCutchen has been appointed Instructor in History at the South Carolina College, Columbia, S. C. He was born at Church, S. C., April 16, 1876, and obtained his collegiate education at the South Carolina College, where he received the degree of B. A. in 1898. He has since been engaged in teaching in public schools of South Carolina.

**Swarthmore.**—Dr. Jesse Herman Holmes has been appointed Professor of History and Biblical Literature at Swarthmore College. He was born January 5, 1864, at West Liberty, Iowa, where he attended the public schools. He entered the University of Nebraska, where he received the degree of B. S. in 1884. Since graduation he has taught in the Friends' Select School at Washington, and the George School, Bucks County, Pa. He has pursued graduate studies at Nebraska 1884-85, Johns Hopkins 1885-86 and 1888-90, and at Oxford 1899-1900, receiving the degree of Ph. D. at Johns Hopkins in 1890.

<sup>1</sup> See *ANNALS*, vol. iii, p. 89, July, 1892.

**Wesleyan University.**—Dr. Max Farrand<sup>1</sup> has been appointed Hedding Professor of History in the Wesleyan University, Middletown, Conn. Among his recent writings are:

"*The Delaware Bill of Rights of 1776.*" *American Historical Review*, July, 1898.

"*The Judiciary Act of 1801.*" *Ibid.*, July, 1900.

"*Territory and District.*" *Ibid.*, July, 1900.

**University of Wisconsin.**—Professor William A. Scott<sup>2</sup> has been appointed director of the newly established School of Commerce at the University of Wisconsin. Dr. Scott has recently published:

"*The Quantity Theory.*" *ANNALS*, March, 1897.

"*Henry George and His Economic System.*" *The New World*, March, 1898.

IN ACCORDANCE with our custom we give below a list of the students in political and social science and allied subjects on whom the degree of Doctor of Philosophy was conferred at the close of or during the last academic year.<sup>3</sup>

**Boston University.**—Henry Collier Wright, A. B., B. D. Thesis: *Forms and Means of Social Recreation in the City of Boston.*

**Brown University.**—Lewis Hamilton Meader, A. M. Thesis: *The Council of Censors.*

Sidney Algernon Sherman, A. B. Thesis: *Advertising: Its History and Present Forms.*

Howard Kemble Stokes, A. M. Thesis: *A Century of Providence's Finances.*

**University of Chicago.**—Katherine B. Davis, A. B. Thesis: *Causes Affecting the Standard of Living and Wages.*

Jacob Dorsey Forrest, A. M.

Walter Flavius McCaleb, L. B., A. M.

Harry Alvin Millis, A. M. Thesis: *History of the Finances of the City of Chicago.*

Samuel C. Mitchell, A. M. Thesis: *The Change from Colony to Commonwealth in Virginia.*

Worthy Putnam Sterns, A. M. Thesis: *Studies on Foreign Trade of United States.*

<sup>1</sup> See *ANNALS*, vol. xii, p. 111, July, 1898.

<sup>2</sup> See *ANNALS*, vol. viii, p. 154, July, 1896.

<sup>3</sup> See *ANNALS*, vol. i, p. 293, for academic year, 1889-90; vol. ii, p. 253, for 1890-91; vol. iii, p. 241, for 1891-92; vol. iv, p. 312 and p. 466 for 1892-93; vol. v, p. 282 and p. 419, for 1893-94; vol. vi, p. 300 and p. 482, for 1894-95; vol. viii, p. 364, for 1895-96; vol. x, p. 256, for 1896-97; vol. xii, p. 262 and p. 411, for 1898-99; vol. xiv, p. 227, for 1899-1900.

**Columbia University.**—Julius August Bewer. Thesis: *History of the New Testament Canon in the Syrian Church.*

William Maxwell Burke, A. M. Thesis: *History and Functions of Central Labor Unions.*

George Tobias Flom, B. L., A. M.

William Henry Glasson, Ph. B. Thesis: *History of Military Pension Legislation in the United States.*

Charles Edward Merriam, A. B. Thesis: *The Theory of Sovereignty since Rousseau.*

Samuel Paul Molenaar. Thesis: *Egideo Colonna, Du Gouvernement des Rois.*

**Georgetown University.**—Francis Xavier Boden, A. M. Thesis: *The Basis of the Kantian Philosophy.*

Erwin Plein Nemmers, A. M. Thesis: *The Existence of an Intelligent First Cause.*

**Harvard University.**—Abram Piatt Andrew, Jr., A. M. Thesis: *The Ways and Means of Making Payments.*

Sidney Bradshaw Fay, A. M. Thesis: *The Fürstenbund of 1785: A Study in German History.*

Carl Russell Fish, A. M. Thesis: *Political Patronage in the United States.*

William Bennett Munro, A. M. Thesis: *The Feudal System in Canada: A Study in the Institutional History of the Old Régime.*

Subharama Swaminadhan, A. M., LL. B., B. Sc. Thesis: *Custom in Its Juridical Aspect, with Special Reference to the Administration of Oriental Law by British Tribunals.*

**State University of Iowa.**—Fred D. Merritt, A. M. Thesis: *The Early History of Banking in Iowa.*

**Johns Hopkins University.**—William Sidney Drewry, A. B. Thesis: *Slave Insurrections in Virginia (1830-1865).*

William Starr Myers, A. B. Thesis: *The Maryland Constitution of 1864.*

George Lovic Pierce Radcliffe, A. B. Thesis: *Governor Thomas H. Hicks of Maryland, and the Civil War.*

Ernest Ashton Smith, A. B. Thesis: *History of the Confederate Treasury.*

Charles Clinton Weaver, A. B. Thesis: *Internal Improvements in North Carolina Previous to 1860.*

**University of Pennsylvania.**—William Harvey Allen, A. B. Thesis: *Rural Sanitary Administration in Pennsylvania.*

Frederick Albert Cleveland, Ph. B. Thesis: *Statistical materials for four chapters of a work to be entitled History of Prices since 1860.*

James Edward Hagerty, A. B. Thesis: *Recent Changes in the Marketing of Products in Their Effects upon Social Welfare.*

Albert Edward McKinley, Ph. B. Thesis: *Representation and the Suffrage in New Netherlands and New York (1613 to 1691).*

Lewis S. Shimmell. Thesis: *Border Warfare in Pennsylvania During the Revolution.*

Claude Halstead Van Tyne, A. B. Thesis: *The Elimination of the Loyalists by Legal Enactments.*

**Princeton University.**—Robert McNutt McElroy, A. M. Thesis: *History of the Commonwealth of Kentucky.*

**University of Wisconsin.**—Delos Oscar Kinsman, B. L. Thesis: *The Use of the Income Tax in the Commonwealths of the United States.*

Mosasada Shiozawa. Thesis: *A Study of the Social and Economic Institutions of Ancient Japan.*

George Ray Wicker, A. M. Thesis: *A Financial History of the New York Colony During the Dutch Period.*

FOR THE academic year 1900-1901, appointments to fellowships and post-graduate scholarships have been made in the leading American colleges, as follows:

**Alabama Polytechnic Institute.**—*Scholarship in History*, Jesse W. Boyd, B. S.; *in History and English*, James R. Rutland, B. S.

**Bryn Mawr College.**—*Fellowship in History*, Grace E. McNair, B. L., M. L. *Scholarships in History*, Helen H. Shelley, A. B.; *in Political Science*, Lois Anna Farnham, A. B.

**University of Chicago.**—*Fellowships in History*, Charles L. Burroughs, A. B.; Mayo Fisher, Ph. B.; Edgar H. McNeal, A. B.; Paul F. Peek, A. B.; George C. Sillery, A. B.; and Eugene M. Violette, A. M. *In Political Economy*, Alfred Lawrence Fish, A. B.; William Buck Guthrie, Ph. B.; Stephen B. Leacock, A. B.; S. Godfrey Lindholm, L. B., and Robert S. Padan, A. B. *In Political Science*, James Dowse Bradwell, Ph. M.; Miss S. P. Breckenridge, Ph. M.; Augustus R. Hatton, Ph. B.; William Edwin Miller, S. B.; Susan Wade Peabody, S. B., and George Winfield Scott, A. B. *In Social Science*, Amy Hewes, A. B.; Ralph G. Kimble, A. B.; Eben Mumford, A. B.; Benjamin F. Stacey, D. B.; and Howard B. Woolston, A. B.

**Columbia University.**—*University Fellowships in American History*, Charles Worthen Spencer, A. B.; *in Economics*, Alvin Saunders Johnson, A. M., Jesse Eliphalet Pope, M. S., and Albert Concer Whitaker, A. B.; *in European History*, Earl Evelyn Sperry, Ph. B., Ph. M.; *in Political Science*, William Maitland Abell, A. M.,

L.L. M., William Brown Bell, A. B., and James Wilford Garner, B. S.; *in Sociology*, Thomas Jesse Jones, A. M.

**Harvard University.**—*Morgan Fellowship in History and Political Science*, F. S. Philbrick, A. M.; *Paine Fellowship in Political Economy*, F. A. Bushee, A. M.; *Parker Fellowship in History and Political Science*, W. B. Munro, Ph. D., L.L. B.; *South End House Fellowship in Sociology*, R. F. Phelps, A. B.; *Edward Russell Scholarship in Political Economy*, C. Bowker, A. B.; *James Savage Scholarship in Ancient History*, H. J. Edmiston, A. M.; *Thayer Scholarships in History and Political Science*, W. S. Davis, A. B., and J. H. Patten, A. M.; *Townsend Scholarships in History*, D. McFayden, A. B.; *in Political Economy*, A. E. Henry, A. M.; *University Scholarships in Government*, J. A. George, A. B.; *in History*, A. H. Newhall, A. M.; *in Political Economy*, B. E. Eames, S. M.

**Johns Hopkins University.**—*Fellows in Economics*, George Ernest Barnett, A. B.; *in History*, William Elejius Martin, A. M.; *Scholarships in History*, W. K. Boyd, A. B., B. Kilby, A. M., and T. J. Stubbs, Jr., A. B.

**State University of Iowa.**—*Fellow in Politics and History*, Simeon E. Thomas, Ph. B.; *in Sociology*, George Luther Cady, B. A.

**University of Missouri.**—*Fellowship in History*, Minnie Organ, B. L.

**University of Nebraska.**—*University Scholarship*, John James Ledwith, B. Sc.

**University of Pennsylvania.**—*Harrison Senior Fellows in American History*, Claude Halstead Van Tyne, Ph. D.; *in Sociology*, James Edward Hagerty, Ph. D.

*Harrison Fellows in American History*, George D. Leutscher, B. L., and Frederick Logan Paxson, B. S.; *in Economics*, Roswell Cheney McCrea, A. B.; *in European History*, William Ezra Lingelbach, A. B.; *in Political Science*, Leonard Anderson Blue, Ph. B. *Honorary Fellow in American Constitutional History*, Albert Edward McKinley, Ph. D. *Bloomfield Moore Fellow in European History*, Caroline Colvin, A. B. *Pepper Fellow in Sociology*, Charlotte Kimball, B. S. *Bennett Fellow in American History*, Miss Lolabel House, A. M.

*Harrison Scholar in Political Science*, James Whitford Riddle, Jr. *University Scholars in American History*, Percival Taylor Rex, B. S.; *in Economics*, Henry John Nelson, B. S., and Campbell Bascom Slempe; *in European History*, Helen Gertrude Preston, Ph. B.; *in Political Science*, Henry Reed Burch and George Judson Rosebush, A. B.; *in Sociology*, Lee Waldorf, Ph. B.

**Princeton University.**—*Boudinot Fellowships in History*, Henry Jessup Cochrane and Edward L. Katzenbach; *Fellowship in Ancient*



*History and Archæology*, Samuel Bryan Scott; *Fellowship in Ethics*, Joseph W. L. Jones; *Southeast Club Fellowship in Social Science*, Hubert F. Fisher.

**University of Wisconsin.**—*Fellowships in American History*, Louise Phelps Kellogg, B. L., and Charles McCarthy, B. P.; *Fellowships in Economics*, Margaret Schaffner, A. M., and Allyn Abbott Young, Ph. B.; *Graduate Scholarships in Economics*, Benjamin Horace Hibbard, B. S. A.; *in Political Science*, Lewis Albert Anderson, B. L., and A. B. Davis, A. B.

## BOOK DEPARTMENT.

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### NOTES.

A RECENT REPORT of the French Labor Bureau summarizes in convenient form the German and Austrian experience in the matter of labor accident insurance.<sup>1</sup> The volume gives a brief summary of the laws in both countries and portrays in great detail the results of the laws. The statistical figures given are almost exclusively in the form of ratios, the reader being referred to the publications of the respective states for the absolute numbers. The tables deal with the frequency of accidents in different trades, the causes of accidents and the costs of insurance.

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PROFESSOR JOHN R. COMMONS has given us in "Representative Democracy"<sup>2</sup> the main arguments for direct legislation and proportional representation. The author, who is an authority on the latter subject, addresses his booklet especially to the minority parties in the country. He describes the recent Belgian law on proportional representation and the movements along this line in the United States and European countries. In his chapter on "The Representation of Interests" Professor Commons gives a most interesting and suggestive sketch of our present system of representation. There is also a chapter upon "Preferential Voting" as adapted to labor unions and voluntary associations, and a model statute for the establishment of proportional representation in cities. The most important parts of the book have already been published in the form of magazine articles.

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"CIVIL GOVERNMENT SIMPLIFIED"<sup>3</sup> is a skeleton outline of the county, state and federal governments of the United States. The author has condensed the information given under these heads in a useful and concise form. Although no attempt at a discussion of principles is made, the pamphlet will prove valuable as a guide for elementary courses in government. A similar statement of municipal

<sup>1</sup> Bases statistiques de l'Assurance contre les Accidents, d'après les résultats de l'assurance obligatoire en Allemagne et en Autriche. Pp. 234. Paris, 1899.

<sup>2</sup> Pp. 100. Paper, 25 cents. New York: Bureau of Economic Research, 35 Lafayette Place. 1900.

<sup>3</sup> By J. J. DUVALL. Pp. 35. Price, 25 cents. San Francisco: Whitaker & Ray Company, 1900.

government and of the various county and township systems in other states besides California would be useful. The pamphlet is the first number in a series of "Western Educational Helps."

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AN EXACT reprint of Professor Ely's "Outlines of Economics,"<sup>1</sup> originally published in 1893, by Hunt & Eaton, has been added to that author's "Citizens' Library of Economics, Politics and Sociology." The reduced price and more convenient form of the new edition should insure a continuance of its popularity as a text-book.

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"PAUPERIZING THE RICH;" An Inquiry into the Value and Significance of Unearned Wealth to its Owners and to Society," by Alfred J. Ferris, is a fascinating study of the social surplus. Strong in his analysis of existing economic tendencies, epigrammatic and profuse in apt illustration of his points, and suggestive in his remedies, the author has discussed to some profit many important problems in the distribution and use of wealth. He approaches his subject from the side of the disinherited masses and their present condition. Charity workers will read with interest what he has to say about the charities of condescension and the charities of equality, including under the former all amounts, large and small, that are given in charity in the ordinary sense, and under the latter the large amounts of relief that the poor give to each other and the inheritances in all classes from the millionaire down. He claims that the sums given as seed-grain to the poor to help them to get back on the plane of independence are altogether inadequate according to the theories of our present charities of condescension, and that there is less danger of pauperizing the poor by large gifts discriminately administered than we generally suppose. Most of the charities of equality do pauperize the rich, it is asserted, and how judiciously to take the surplus from those who are harmed by its possession and to give it to those who would be benefited by its use constitutes the central theme of the book. Unfortunately the remedy proposed, viz., to take the surplus in federal taxes on a few chief products of industry where the increments of profit are large because of race progress, and to distribute the sums thus raised in quarterly dividends to every man, woman and child, though ingeniously worked out and guarded from attack, will strike most economists as too artificial to promise great results.

<sup>1</sup> Pp. xii, 432. Price, \$1.25. New York: The Macmillan Company, 1900.

<sup>2</sup> Pp. xiii, 132. Philadelphia: T. S. Leach & Co., 1899. Price, 75 cents.

A REMARKABLY THOUGHTFUL and cheery book of essays has appeared from the pen of one who has made an enviable reputation as a popular lecturer and teacher of the thinking masses. "The New Humanism: Studies in Personal and Social Development," by Edward Howard Griggs,<sup>1</sup> contains ten essays. The introductory one on the "Scientific Study of the Higher Human Life," makes an excellent contribution toward the clearing up of some of the perplexing doubts concerning the scope and validity of sociological investigation. The next five essays, on "The Evolution of Personality," "The Dynamic Character of Personal Ideals," "The Content of the Ideal of Life," "Positive and Negative Ideals," "Greek and Christian Ideals in Modern Civilization," give the author's philosophy, which is strong and inspiring though perhaps unnecessarily pagan in its emphasis. He lays entirely too much emphasis upon the non-resistance and self-abnegatory elements in Christianity and does not recognize the rise of a new spirit of aggression and manly activity in the service which the Christianity of to-day is rendering the ideal in life. The last four essays, on "The Modern Change in Ideals of Womanhood," "The Ethics of Social Reconstruction," "The New Social Ideal" and "The Religion of Humanity," deal with modern social problems in a wholesome and vigorous spirit, and are based on wide reading of current scientific literature, without being in the least technical.

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A RECENT NUMBER of the Questions of the Day Series is devoted to a discussion by Mr. Frank Hendrick, of the commission system<sup>2</sup> of regulating railways. The book contains something more than a discussion of railway commissions, as it treats of the regulation of railways in European countries as well as in the United States. The work deals with a timely and very important question, but can hardly be said to do justice to the subject.<sup>3</sup>

The author has neglected certain necessary sources, such as the reports of the state railway commissions, other than that of Massachusetts, nor has he consulted the recent reports of the Interstate Commerce Commission. There is, furthermore, no reference in the book to the valuable writings of Mr. Knapp, the chairman of the Interstate Commerce Commission; nor does the chapter on the Swiss

<sup>1</sup>Published by the author, and to be had from the American Society for the Extension of University Teaching, 111 South Fifteenth street, Philadelphia. Pp. 239. Price, \$1.60.

<sup>2</sup>*Railway Control by Commissions.* By FRANK HENDRICK. Pages 161. Price \$1.00. New York and London: G. P. Putnam's Sons, 1900.

<sup>3</sup>Contributed by Emory R. Johnson.

railways make any reference to Dr. Dietler's excellent papers published in the *ANNALS*. The treatment of railway regulation in foreign countries is so brief that it has little value, but the most serious defect of the book is the fact that the author fails to appreciate the real significance of the granger legislation. He makes only the usual depreciatory criticism, without calling attention to the important and lasting consequences of the notable movement which resulted in the granger laws. It would seem also that the author has only a superficial knowledge of the work that has been done by the Interstate Commerce Commission, and of what has been, and is now being, accomplished by the railway commissions outside of the State of Massachusetts. Indeed, he fails to appreciate the real nature of the problem with which the Interstate Commerce Commission is dealing. The book is written in an indifferent style, which adds dullness to the other defects of the work.

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A VALUABLE CONTRIBUTION to a subject that is becoming almost as vital in the United States as it is in Europe is a little pamphlet entitled "Houses for the Working Classes: How to Provide them in Town and Country."<sup>1</sup> The seven papers contained in this monograph were presented at the National Conference on the Housing of the Working Classes held in London in March, 1900, and attended by upwards of 400 delegates. To them is added a select bibliography by Mr. Sidney Webb which, from the standpoint of completeness, leaves nothing to be desired. The titles of the articles indicate with sufficient accuracy their contents. Mr. Clement Edwards discusses "Bad Housing in Rural Districts," while Miss Constance Cochrane describes "Laborers' Cottages." "Facts as to Urban Overcrowding" are given by Dr. Edward Bowmaker, and are supplemented by Mrs. Phillimore's paper on "The Existing Situation in London: Statistics of the Problem." Then follow articles on the "Powers of Local Authorities," by Councillor W. Thompson, and on "Practical Difficulties as Regards Building," by Councillor H. C. Lander. The pamphlet concludes appropriately with a statement of "General Principles" by Councillor F. Lawson Dodd. It is interesting to note that before adjourning the conference appointed a National Housing Committee to urge appropriate remedial legislation upon the attention of parliament.

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IN "CONSTITUTION AND ADMISSION OF IOWA INTO THE UNION"<sup>2</sup> the author gives a description of the government of Iowa during the

<sup>1</sup> Pp. 48. Price, 1s. London: P. S. King & Son, 1900.

<sup>2</sup> By Professor JAMES A. JAMES, of Northwestern University. Pp. 54. Johns Hopkins University Studies. Series 18, No. 7. July, 1900.

territorial period and a short discussion of the constitutions of 1844, 1846 and 1857, as well as the conventions which adopted those instruments. Considerable space is devoted to a discussion of the negro question and the bank question as they arose in Iowa.

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THE GENERAL COUNCIL of the trade unions of Germany has issued a memorial, prepared by Mr. T. Legien, setting forth the arguments in favor of the laborer's right of association, and describing the restrictions which law and custom now impose on that right in Germany.<sup>1</sup> The exciting cause of this publication seems to have been the opposition to strikes which the German government has recently manifested. In September, 1898, the German emperor was reported to have said that "anyone who incited a strike ought to be imprisoned." Though no legislation of this extreme character has yet been proposed, the advocates of trade unions in Germany seem to fear such action. The memorial gives a clear summary of the reasons in favor of labor organizations based on the views of such writers as Brentano, Kleinwachter and Lexis. This is followed by a digest of the labor laws of Germany bearing on the right of association and an account of the strikes that have occurred in that country during recent years. The principal interest of the volume to American readers is the light it throws on contemporary opinion on the labor question in the Fatherland.

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HENRY D. LLOYD'S "A Country Without Strikes"<sup>2</sup> presents a vivid picture of the operation of the compulsory arbitration law of New Zealand. When Mr. Lloyd visited that colony in February, 1899, demands for higher wages and shorter hours were being raised on all sides. He was astonished to find that instead of causing strikes and lockouts, these demands simply called for unusual activity on the part of the board of arbitration. His study of the conduct of this board and of the results of the law to which it gives practical force, has made him an earnest advocate of such a mode of settling labor disputes. The facts which he presents may well give pause to *a priori* opponents of compulsory arbitration. He shows not only that strikes and lockouts have ceased in New Zealand since the act went into force in 1894 and the country has enjoyed unprecedented prosperity, but that public opinion in the colony has swung around to general approval of

<sup>1</sup> *Das K alitionsrecht der deutschen Arbeiter in Theorie und Praxis. Denkschrift der Generalkommission der Gewerkschaften Deutschlands.* By T. LEGIEN. Pp. 224. Hamburg: Aner & Co., 1899.

<sup>2</sup> Pp. xiv, 183. Price, \$1.00. New York: Doubleday, Page & Co., 1900.

the policy of the law, opposition being now confined to matters of detail. The book is introduced by Hon. W. P. Reeves, ex-minister of labor in New Zealand and author of the compulsory arbitration law, who vouches for the accuracy of the author's statements.

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"THE MUNICIPALITY"<sup>1</sup> is a bi-monthly publication, issued by the League of Wisconsin Municipalities. The first part of the magazine appeared in July of the present year and contains an article on "The Construction and Maintenance of Streets in Wisconsin Cities" and short discussions of other municipal topics, such as electric light plants, etc. The league is doing considerable work in the education of the people, as well as in the diffusion of practical information among municipal officials.

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*Le Fédéralisme Économique*<sup>2</sup> is the title chosen by Monsieur J. Paul-Boncour for a philosophical study of the present status and future prospects of those economic or "professional" organizations which have grown up between the individual and the state, and of which trade unions may be taken as a type. Though the author has French industrial conditions and the French legal system chiefly in mind, he draws largely on foreign experience before arriving at his conclusions, and states the latter in such general terms that they have more than a local interest. After showing how empty of practical significance in France was the "right to work" established by the Revolution before it was supplemented by the "right to associate" created by the law of March 21, 1884, the author proceeds to explain the relations which in fact do prevail and in theory ought to prevail between professional organizations and the individual, on the one hand, and professional organizations and the state on the other. He maintains that trade unions and similar associations must be accorded limited sovereign power over the acts of their members, so that as they grow in number and size, an economic federation will emerge within the state, or "territorial federation," capable of performing many of the functions now regarded as political. The delimitation of the powers of the state from those of professional associations within the state contemplated by the author, is happily brought out by a reference to the relation between employer and employe. As Brentano has pointed out, the hired-labor system involves two things: (1) the sale of labor and (2) the subordination of the person of the laborer to the

<sup>1</sup> Madison, Wis. The League of Wisconsin Municipalities. Per year, \$1.00.

<sup>2</sup> Étude sur les rapports de l'individu et des groupements professionnels. Préface de M. Waldeck-Rousseau. Pp. viii, 395. Price, 8 fr. Paris: Félix Alcan, 1900.

will of the employer. The author maintains that everything connected with the sale of labor, *e. g.*, the rate of wages, the hours of labor, etc., may be left to the regulation of trade unions; but that the subordination of the person of the laborer to the will of the employer is and must always remain a matter for state regulation. As a whole the work is a valuable contribution to the growing literature treating of voluntary associations and demonstrating the prominent part which these are to play in the economic state of the future.

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BARON CHARLES GILLÈS DE PÉLICHY is the author of an exhaustive study of the regulation of labor in the principal seaports of Europe.<sup>1</sup> He divides his work into two parts, of which the first gives a general sketch of contemporary relations between laborers and employers, of the growth of labor unions, of co-operative enterprises, etc., while the second presents a detailed account of labor conditions in each of the thirteen port towns considered. Though originally designed merely as a doctor's thesis treating of Belgian ports, the study has grown to the size of a *magnum opus*, which devotes as much attention to London, Liverpool and Hull as to the ports of any continental country. The "Rules of the Amalgamated Stevedores' Labor Protection League" and of three other dockers' unions constitute an appropriate appendix to the book.

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THE LAST VOLUME to be added to the *Bibliothèque du Musée Social* is a study of "Agricultural Syndicates and their Work" by the Count de Rocquigny.<sup>2</sup> These associations resemble the granger societies of this country and seem to be doing even more to promote co-operation in France than are their brother organizations here. Though only fifteen years old the syndicates now number 2,500 and have a membership of 800,000 farmers. They make possible for their members the joint purchase of materials and sale of products and the acquisition of the latest ideas in regard to agricultural methods. They serve as credit and insurance agencies and enable their members to secure cheap legal advice. Finally they combine into larger organizations and give the farmers of France a distinct political influence. The author writes of their services with the enthusiasm of a believer in the advantages of co-operation. At the same time he supports most

<sup>1</sup>*Le Régime du Travail dans les Principaux Ports de Mer de l'Europe.* Pp. 392. Louvain: Polleunis & Centerick, 1899.

<sup>2</sup>*Les Syndicats Agricoles et leur Oeuvre.* By the COMTE DE ROCQUIGNY. Pp. viii, 412. Price, 4 frs. Paris: Colin & Cie, 1900.



of his statements by citations from official sources and arrives at no conclusion that seems unwarranted by the facts he presents. As a whole the monograph is fully worthy a place in the valuable series to which it belongs.

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"THE TEMPERANCE PROBLEM AND SOCIAL REFORM,"<sup>1</sup> by Joseph Rowntree and Arthur Sherwell is an encyclopedia of information on the nature and extent of intemperance as a social evil and on legislative and other experiments to control it. It is an English work which passed through five editions within a few months last year, during the period when legislative action on a large scale was being discussed in England. The authors personally studied the workings of the Gothenburg system in Norway and Sweden, and they discuss with great fullness the character and results of prohibitive legislation in different countries. State monopoly and high license are also fully considered, but the authors seem to hope for the best results from the more general adoption of the Norwegian and Swedish methods, perhaps slightly modified to suit local needs. Nearly 200 pages of appendices furnish abundant statistics and other data for the study of the liquor problem, and the book seems to be unusually free from the narrowness and fanaticism which often characterize works of this character.

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"LONDON GOVERNMENT"<sup>2</sup> is an explanation of the changes made in the municipal organization of London by the act of 1899. The law of 1888 creating the Administrative County of London, was admittedly a tentative measure. The pronounced localism of amorphous London prevented, at that time, any solution which would concentrate all administrative power in one central authority. It was, therefore, no surprise that the London Government Act of 1899, made provision for the preservation of this localism by dividing the county of London into twenty-nine subordinate municipalities or boroughs, each possessing an organization similar to that of the regular English municipality. These administrative boroughs were created by grouping the old parishes and by conferring upon the governing authorities of the borough the powers of the old vestries or district boards, as well as those of the library, bath and burial boards, while a few unimportant powers were transferred from the county council.

This second step in the reconstruction of the government of Lon-

<sup>1</sup> Pp. xxiii, 632. London: Hodder & Stoughton, 1899.

<sup>2</sup> By J. R. SEAGER, L. C. C. Pp. 206. Price, 2s. 6. London, P. S. King & Son: 1900.

don has not resulted in the creation of separate, self-contained boroughs, but rather in the organization of a group of federated municipalities to attend to those matters which are local as distinguished from the general problems of the county of London. The London county council remains practically undisturbed in the exercise of its former powers, and the more important financial matters acted on by the borough councils require the consent of the county council and the Local Government Board. In addition to this supervision, the borough accounts must pass that same careful scrutiny which is in vogue for the other localities of England.

The new law is an important experiment with the borough system in a large urban centre and its practical working will be watched with great interest. Mr. Seager has placed the essential points of the plan before the reader in a useful and concise form.<sup>1</sup>

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THE SIXTH ANNUAL ABSTRACT OF LABOUR STATISTICS OF THE UNITED KINGDOM<sup>2</sup> for the year 1898 to 1899, has just appeared, and contains the usual tables on trade unions, co-operative societies, trade disputes, fluctuations in employment, rates of wages, hours of labor, etc. The completeness of the data presented testifies in an eloquent way to the greater maturity attained by labor organizations in the mother country. Questions which in the United States must still be answered by rough guess, have become there matters for exact statistical information. As compared with those for 1898, the figures for 1899 show gratifying improvement. The percentage of members of trade unions returned as unemployed fell from 3 per cent to 2.4 per cent. The membership of the unions increased from 1,611,384 to 1,644,591, while that of co-operative societies making returns increased from 1,511,152 to 1,593,279. As regards wages and hours of labor progress was even more marked. Weekly wages rose in the aggregate £85,820 during 1899, as compared with a rise of £80,815 during 1898. The hours of labor at the same time fell 114,114 hours during 1899, as compared with a fall of 81,917 hours in 1898. These figures show that the prosperity which the United States has enjoyed during the last year has not been, as so many American newspapers assume, merely a local phenomenon.

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THE "BUDGET" is just beginning to receive the attention it deserves from American writers on public finance. Students who wish to familiarize themselves with the most advanced continental opinions

<sup>1</sup> Contributed by Dr. Samuel E. Sparling, University of Wisconsin.

<sup>2</sup> Pp. xv, 214. Price, 11½ d. London: Eyre & Spottiswoode, 1900.

on this subject will find Dr. Karl Willgren's "*Das Staats-budget, dessen Auf bau und Verhältnis zur Staatsrechnung*,"<sup>1</sup> exceedingly serviceable. The work is meritorious not only because it brings together in condensed form the views of such authorities as von Stein, Wagner and Stourm, but because it presents original conceptions of the nature of the budget and of the distinction between direct and indirect taxes. As is so often the case with German works it is without an index.

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REVIEWS.

*The Distribution of Wealth: A Theory of Wages, Interest and Profits.* By JOHN BATES CLARK. Pp. xxviii, 445. Price, \$3.00. New York: The Macmillan Company, 1899.

"It is conceivable that production might go on in an organized way without any change in the character of the operation. Men might conceivably produce to the end of time the same kinds of goods, and they might do it by the same processes. Their tools and materials might never change, and they might not alter for the better or for the worse the amount of wealth that industry would yield. Social production can thus be thought of as static." (P. 28.) It is with such an imaginary static society that Professor Clark's work on *Distribution* deals. "Heroically theoretical" though it is, it differs less from other treatises on the same subject than might at first be supposed. A static society is simply a society in which "natural," "normal" or "competitive" standards prevail; consequently, as the author points out, every writer who speaks of "normal values" or the "normal rate of wages" has such a society more or less clearly in mind. In confining his attention to static relations Professor Clark thus merely adopts, with fuller self-consciousness, the same method that has been employed by all constructive economists since Adam Smith. His merit is to differentiate more sharply than any of his predecessors, a static society from the dynamic state in which we live and to formulate independently the laws applicable to the former, before he turns, as he proposes to do in a second volume, to the complicating circumstances of the latter.

The resulting study is full of original suggestion even to students conversant with the author's earlier writings. Not only is the conclusion as to the law of distribution essentially different from that of any other economist professing the "productivity theory," but the principles upon which it is based are all, or nearly all, fruits of Professor Clark's own analysis. Beginning logically with an emendation to the

<sup>1</sup>Pp. x, 137. Helsingfors: Central-Tryckeri, 1899.

accepted marginal utility theory of value, which, as is well known, was itself formulated by Professor Clark independently of Jevons or the Austrians, each important link in the chain of reasoning—the distinction between capital and capital goods, the recognition that capital grows by qualitative rather than quantitative increments, and the perception that “pure capital” brings labor and its ripened fruits together instead of separating them,—has been patiently forged in the author’s own workshop. The fact that many of these theories are already common property in no wise detracts from Professor Clark’s credit for their origination. It merely testifies to his enlightened practice of making public each new scientific discovery as it has occurred during the twenty years in which he has been a contributor to economic literature.

Appreciating the abstractness of his work, the author has provided all possible aids to its comprehension. In addition to a full index and a running marginal summary of the text, there is a sixteen-page table of contents “containing a condensed statement of the leading idea of each of the chapters.” The exact nature of a static society is clearly set forth in the *Preface*, where the changes eliminated from such a state are enumerated as follows: (1) Changes in the number of laborers; (2) in the amount of capital; (3) in the methods of production (including the quality of labor and of capital and the forms of industrial organization), and (4) in the wants of consumers. Finally, all obstacles to free competition are assumed to be absent. In a society conforming to these conditions it is obvious that wealth would continue to be produced and consumed, and that the dominant forces determining the division of wealth between the factors in production would continue to operate. Activity and movement would not be suspended though progress would. A full knowledge of the relations prevailing in such an imaginary, static society is, in the author’s opinion, as indispensable to an understanding of the phenomena of the dynamic state of reality, as is a knowledge of the laws of statics to an understanding of the phenomena of dynamics in mechanics.

For convenience of review the treatise may be divided into three parts. The first six chapters are introductory. In addition to explaining at length the distinction between economic statics and economic dynamics, they indicate the moral bearings of the problem of distribution, criticise the traditional four-fold division of economics, on the ground that production and distribution are parallel processes mutually determining each other, and explain the universal principles applicable alike to a *Crusœ* and a social economy and of which use is made in the discussion which follows.

The second part embraces Chapters VII to XIII, inclusive, and presents a proximate demonstration of the author’s main conclusion

that in a static society, profits being eliminated, labor and capital (which includes land) receive as their rewards what they specifically produce. This part is so full of illuminating analysis that it will probably be ranked as the best portion of the book, though it is less subtle than the part which follows.

That competition tends to eliminate profits and to level wages and interest to uniform rates are familiar ideas. The proof that the rates established in a static society by unrestricted competition measure the specific productivity of labor and capital, is Professor Clark's contribution. Henry George suggested one possible demonstration of the productivity theory of wages in stating that wages are fixed by what the farmer cultivating free land can produce by his unaided labor. Though accurate so far as it goes, this statement suggests, when the inconsiderable number of farmers cultivating free land is considered, a situation in which the tail wags the dog. It is also defective since it implies the exploitation of all other laborers save those working on free land. A more plausible demonstration is supplied by reference to the circumstances of those laborers who use no-rent instruments of production of all kinds. Still a wider field in which productivity appears to control wages is presented by what the author calls the "zone of indifference" in each industry, that is the situation in which the hired laborer just earns enough for his employer to cover his wages. That many thousands of workmen are thus on the ragged edge of unemployment in every industrial centre does not admit of question. Since competition keeps all wages at a level and such men receive the equivalents of what they produce, it may be stated as a general law that the "final productivity of labor" determines the rate of wages. But this seems again to imply exploitation of laborers not on the margin and is different in terms if not in fact from the author's thesis; "wages equal the specific products of labor." Negative reasoning from a marginal man was the stage to which Von Thünen brought the productivity theory of wages. Clark brought it to the same stage independently and by means of his careful analysis of capital carries it on to his conclusion, which admits no shadow of exploitation.

As President Hadley once stated at a meeting of the American Economic Association, it is a pity that Professor Clark's distinction between capital and capital goods was not made a couple of generations earlier. Nothing that that author or any other contemporary writer has contributed to economic discussion has proved such a solvent of mooted questions. Yet the distinction is simple. Capital goods are the tools, machines, buildings, seeds, mercantile stocks and other concrete aids to production. They are produced and used up in

furthering subsequent production. Each has its life history that may be traced and recorded like the biography of an individual laborer. Capital, on the other hand, is the fund of all capital goods looked at not as concrete instruments but as an abstract productive force. It is perennial, mobile and susceptible of measurement in terms of money. It is what the business man thinks of when he makes an estimate of his "capital" though he bases that estimate on an inventory of the capital goods in his establishment. Comparable with it, is abstract labor force which is also a perennial fund.

Armed with these distinctions between capital force and the concrete forms of capital, and labor force and concrete laborers, the author proceeds to show that distribution in a static society may be regarded as the division of the wealth produced either into four rent funds or into wages and interest. The earnings of capital goods are rents. So are the earnings of individual laborers. The earnings of capital as a whole are again a rent, or a differential, as contrasted with wages determined by the specific productivity of labor. Or, if the student prefers, interest may be shown to be the specific product of capital and wages made to appear as a differential income or rent. In a static society the rent of each instrument of production is its specific product and the rent of all instruments together are the specific products of capital or interest. In the same way the rent of each laborer is his specific product, and the rent of all laborers the specific product of labor as a whole, or wages. Each one of these points is clearly established by the author's analysis. To reproduce it would be to repeat this portion of the book, no part of which is unessential to the argument.

A word should be said, however, touching one link in the reasoning. In tracing the relations that prevail in a static society the author has occasion to show the effect that successive additions of capital have on the industrial organization as society approaches its static state. The supply of labor is assumed to have attained its full static proportions. The supply of capital is doubled. What does this involve? Not a duplication of all the instruments of production in existence, but a complete transformation of these instruments. The carpenter does not want two hammers but one hammer of superior quality. In general, additions to capital when the labor supply is fixed involve qualitative rather than quantitative changes. The point is simple, but one apt to escape attention.

As is implied by what has just been said of the prominence Professor Clark gives to the rent formula in his theory of distribution, he holds the law of diminishing returns to be of general applicability. If the labor supply is fixed each successive addition to capital is less productive than the preceding. If the capital supply is fixed the same

statement applies to successive additions to labor. This view is reconciled with the belief that exploitation has no part in normal distribution by means of the analysis of the qualitative changes in capital just referred to. For example if the labor supply increases, capital being fixed, the capital must deteriorate in order to adapt itself to the needs of the larger number of laborers. Assisted by poorer tools, machines, etc., not only the new laborers but all laborers are less productive than before.

The third part of the work begins with three chapters (XIV, XV and XVI), amending the marginal utility theory of value. That theory treats commodities in their entirety. Professor Clark shows that in reality commodities are valued as bundles of want-satisfying qualities. Just as producers' goods multiply by qualitative increments, so consumers' goods multiply by uniting in each article a larger number of utilities. Each one of these utilities is valued by itself by the group of consumers to which it is marginal. The sum of these separate valuations constitutes the value of the entire article.

Following on the heels of this important emendation are the additions to the theory of distribution that have already been suggested. Chapter XX supplies a valuable link by showing that the presence of a fund of capital in a static society synchronizes production and consumption. Professor Böhm-Bawerk in his treatment of capital emphasized the round-about aspect of capitalistic production. The essential thing connected with an increase of capital to his mind was an extension of the average period of production. Professor Clark recognizes the time element involved in the use of capital goods, but makes more prominent the attribute of pure capital which puts the laborer at once into possession of the ripened fruits of his efforts. He suggests that capital may be thought of as a continuous stream of wealth of unvarying volume. Add to this stream at any point by the application of labor and capital and you force an equivalent share of consumers' goods out at its end. By means of capital as a perennial fund the time between production and consumption is thus annihilated. Unbroken continuity is substituted for the alternate periods of privation and satiation which the non-capitalistic savage experiences.

Space will not permit an extended notice of the chapters showing that there is no more reason for maintaining that land-rent does not enter into the cost of production than that interest or wages do not, and specifying "the pain suffered by society as a whole in the final period of daily labor" as the ultimate unit of value. They are followed by chapters entitled "Static Standards in a Dynamic Society" and "Proximate Static Standards," which conclude the work

and prepare the reader for a second volume dealing with the dynamics of distribution. Some of the thoughts suggested in these closing chapters are that the normal tendency is for capital to increase more rapidly than population and hence for interest to fall and wages to rise; that the rates of wages and interest actually prevailing in dynamic society differ less from the static standards to which they tend to conform than might be expected because contemporaneous dynamic changes tend to neutralize each other; and that trusts cannot suppress competition, whatever their object, but simply change its form.

Reviewing the work as a whole, two points seem deserving of special comment. In the author's opinion the economic service for which interest is paid is performed once and for all when a person deliberately abstains from spending income to invest it. At this moment there is, in his view, a distinct sacrifice. Its fruit is a permanent, self-perpetuating addition to society's fund of capital, and its reward is interest, the product of this new capital. In harmony with this view, he maintains that "there is no abstinence in a static state." Interest in such a state is a reward for pre-static sacrifice. The contrary opinion is usually described by saying that interest is a reward for postponing consumption, or "waiting." It looks upon the capitalist, not as one who has made a sacrifice in the past, but as one who is continually making a sacrifice. From this point of view, capital is not a permanent, self-perpetuating fund, but an aggregate of small savings, any one of which may at any time be converted into consumers' goods and destroyed by its possessor. The opposition of view may be described as the difference between looking down on the fund of capital and looking up at it, or between thinking of capital as society's and capital as belonging to the individuals who make up society.

For Professor Clark's study no objection can be made to his analysis. He presupposes a static state. One of the conditions of such a state is that capital shall be a permanent, self-perpetuating, fund. Just how it comes to be so is not a question with which he need concern himself. Will his analysis prove adequate, however, for dealing with the problems of economic dynamics? The perpetuation of capital which he treats as typical is that presented by a corporation with a conservatively managed sinking fund. But behind this corporation are the shifting ranks of bondholders and stockholders, the real capitalists of the community. To these individuals capital is far from self-perpetuating. When making an investment how many of them heave a sigh and regard that as the end of the matter? Must not the original decision to invest be reinforced by daily, monthly, yearly decisions to continue to postpone consumption or to wait for the sake of interest? Professor Clark implies



that because the interest comes in in a continuous stream of ripened products, "waiting" does not accurately describe the process, nor does it as well as the phrase "abstain from immediate consumption," but this abstinence is daily, continuous, and not performed once and for all when it is entered upon.

The other point has to do with the nature of land-rent. Professor Clark shows very clearly that in a static society there is no occasion for making any distinction between land and the other instruments of production. Many readers will doubtless infer from this that it is his opinion that the prominence until now given to the land question as distinct from the question of capitalistic production is unwarranted. Whether this is his view or not, he will, I am sure, be the first to concede that a study limited to economic statics furnishes too narrow a basis for such a conclusion. From the point of view of economic dynamics the fact that land is a gift of nature while other instruments of production are themselves products of human industry attaches to the former an interest which the latter are without. And this only testifies again to the value of the distinction between economic statics and economic dynamics to which the author consistently adheres. Both present theoretical problems, but only the latter, since it alone deals with the real world, concerns itself with practical questions.

In conclusion, it is not too much to say that the publication of Professor Clark's "Distribution" marks an epoch in the history of economic thought in the United States. Its inspiration, its illustrations, even its independence of the opinions of others, are American; but its originality, the brilliancy of its reasoning and its completeness deserve and will surely obtain for it a place in world literature.

HENRY R. SEAGER.

*Droit Politique Contemporain*: Par Vte. Combes de Lestrade. Pp. 732. Price, 12fr. Paris: Guillaumin et Cie., 1900.

A striking feature of this work is the confusion of thought which pervades it. The want of some central, governing principle is most pronounced. The results of this defect are almost disastrous, for law can be profitably studied only in connection with some fundamental conceptions, round which the great multitude of facts can be more or less systematically arranged. An enumeration of the main divisions of the work will be sufficient to enforce this truth upon the student of constitutional law. The book contains nine chapters, as follows: Nation—State, Social Composition, Constitutions and Governments, Sov-

ereign Power, Executive Power, Legislative Power, Forms of Government, Popular Suffrage, Constitutional Guarantees. Clearly then the author has given us here not a carefully analyzed presentation of the facts of constitutional law, but merely a series of essays without any necessary connection with each other.

Yet one fundamental idea pervades the essays, the idea namely, that political science must be based upon social science. M. de Les-trade belongs neither to the analytical nor to the historical school of jurisprudence, but to the new school (if it may be called such) which emphasizes the necessity of studying law (and everything else) from the point of view of certain ultimate social forces. The tendency of this thought is evidenced by the chapter on the social composition. There exists a social constitution which is tacit, flexible, unwritten, and in process of constant change. This constitution in turn rests upon certain inherent qualities in the human mind, and changes as these qualities change or manifest themselves in new ways. The political constitution, in the broad sense, is based upon the social constitution and should tend as nearly as may be to conform to it. The same idea underlies the chapter on "Constitutions and Governments." Anarchy cannot cease until some organization is established; this organization in its entirety is the constitution (p. 65). The narrower meanings of the term "constitution" are referred to, but they have little meaning for the author. "Government" is used interchangeably with "constitution." With government defined thus broadly, it is easy to see what becomes of the state; the state is merely an abstraction—the synthesis of collective interests as opposed to individual interests (p. 10). Just as the state fades away into a dim abstraction, so sovereignty is socialized into an unmeaning phrase. The sovereign is the arbiter between the social and the political constitution, and is the resultant of all the forces of society, material and immaterial; the sovereign is the nation (p. 224).

The merit of the work, therefore, consists in a constant emphasis of the fact that the political organization of any society is an out-growth of the underlying social forces of the society—its ethnic, economic, sociological development—and, in a healthy society, tends to change with these forces. This is not a new idea, though, perhaps, it needs emphasis. One defect of the work consists in the assumption that the above fact necessitates the abandonment of all existing conceptions and definitions of political science itself. That political science rests upon social science may be admitted; but that the terminology and classifications of political science must, therefore, be ignored, does not follow. Definitions must be more or less arbitrary; their value for any science depends upon their convenience for purposes of discus-

sion and classification. To abandon an existing scientific classification without substituting a better one, simply because it is thought more emphasis should be placed upon certain basal facts of the science, is certainly unwise. It is true that every society politically organized has a constitution in the sense that it is constituted, but of what scientific value is the term constitution used in this sense? Why broaden out the term government until it has no precise meaning at all? Or, what legal value has the term sovereignty when defined as the author defines it? To say that sovereignty is the nation is simply to say that the nation is the nation, or that sovereignty is sovereignty, which is true enough, but of little value in legal discussion.

Nevertheless, there is much that is suggestive in the book, such as the author's defence of absolute government, his discussion of the various forms of minority representation, and the rather too attractive analogy he finds between the presidential system of the United States and the absolutism of Russia. Much, however, is puerile and inconsistent, as for instance, the statement that parliamentary government is the absence of government; that England has never had *ce que nous appelons* the parliamentary régime; that England has no political constitution, when political constitution has already been defined to mean political organization (p. 565). *Ce que nous appelons!* Let it be repeated, the fault lies there. Why not call it what everyone understands it to mean?

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*Städteverwaltung im Römischen Kaiserreiche.* By W. LIEBENAM. Pp. xviii, 577. Price, 14*m*. Leipzig: Duncker und Humblot, 1900.

In a striking passage of the introduction to his "Provinces of the Roman Empire," Mommsen says: "If an angel of the Lord were to strike the balance whether the domain ruled by Severus Antoninus was governed with the greater intelligence and the greater humanity at that time or in the present day, whether civilization and national prosperity generally have since that time advanced or retrograded, it is very doubtful whether the decision would prove in favor of the present." And it is in the townships, Mommsen holds, "that the work of the imperial period is to be sought and to be found." Evidently then, this critical and generally thorough, though concise, work of Liebenam on "Municipal Administration under the Empire" deserves more than a passing note; for it supplies a test of Mommsen's claim, and also reveals the later deterioration of municipal life.

Liebenam at the outset (preface) excludes from his field the city of Rome, as well as the towns of Egypt, the latter in view of the mass of papyrus documents daily coming to light. In his first book he treats Municipal Receipts and Expenses. Under Receipts he considers such subjects as town lands, fisheries, mines, quarries, water rents, and other revenue from public works and buildings, fines, municipal slaves, township funds, etc. This part contains valuable material on the subject of township tariffs—the prototypes of the octroi duties so distressing to American residents in Italy. Peculiar interest attaches to the author's discussion of the entrance-fees paid the town by officials upon induction into office. A table is added showing from inscriptions the entrance-fees paid in various municipalities: *e. g.*, an alderman (*decurio*) in *Cirta* paid 20,000 sesterces, an augur in *Marseilles*, 100,000s. Some dozen pages are given to this significant custom.

Under Expenses, the cost of the post, of quartering soldiers, and of giving public amusements, is of great importance. Especially valuable is the information, here condensed, on the subject of public works. Polybius tells us that public works formed the heaviest item in the budget of the Roman state. This statement is also true of the municipalities. The largest part of their income went to construct and maintain town walls, streets, aqueducts, waterworks, sewers, public buildings of every sort—temples, courthouses, theatres, markets, etc. Here also is briefly indicated the varying history of fortifications,—now under the Roman peace, now in war-troubled times. As to the network of magnificent roads, covering the Empire, a new work is needed to replace that of Bergier, published in 1736. Such a study might be based upon the abundant documents now available. Liebenam considers only streets within the town. These were regularly paved, at a cost considerably higher than at present. He gives a list of towns having elaborate systems of drains and sewers: *e. g.*, *Cologne* had a network of underground sewers, and in this, as well as in its aqueduct supply of fresh spring water, the city had reached a point of sanitation not regained until the present century. But in their wonderful systems of waterworks the Romans seem to have surpassed even their other great engineering feats. Liebenam barely mentions the recent important investigations along this line in Africa. In general, it may be said, to sum up the first book, that municipal expenses were smaller than to-day because of the absence or relative insignificance of certain burdensome items of present-day budgets: *e. g.*, salaries of officials, teachers, physicians, support of police and fire departments. On the other hand, too much emphasis can hardly be laid on the absence of a most important source of revenue to-day—the direct tax.

In the second and longest book Liebenam treats of the Management of Municipal Property. In view of the purpose of the work and of the small space allotted to the third book, the author seems to give relatively too much space (thirty pages) to the discussion of the legal status of the municipality as the subject of property rights. He discusses the inscriptions: *lex Julia municipalis*, *lex Rubria de Gallia cisalpina*, *fragmentum Atestinum*, *fragmentum Tarentinum* (discovered 1894), *lex Salpensana*, *lex Malacitana*, and *lex Urbonensis*. Footnotes furnish a valuable bibliography. The texts, excepting the lately discovered *Tarentinum*, are accessible in Bruns' ("Fontes Juris Romani") sixth edition. Throughout his work Liebenam cites copiously these important documents.

Next in order comes the treatment of citizens and non-citizen inhabitants together with the various methods of acquiring citizenship. Mommsen's denial of the possibility of citizenship in two Roman communities at the same time is quoted approvingly. Students were regarded as not even *incolae* (non-citizen inhabitants) until after the lapse of ten years. In the Greek communities, on the contrary, multifold citizenship was possible (*Cf.* Cic. *pro Archia*, *Balbo*, etc.).

The municipal council varied in the number of members. The number for Roman communities was always fixed by law, and was usually one hundred. Names of members were enrolled on the album, which was not published, and was subjected to revision every five years. Then new members were added by the *duumviri quinquennales*. Eligible were, first, municipal ex-officials. If the number were still incomplete, properly qualified persons of the community might be added. The details of the qualifications are interesting, and may be found in *lex Julia munic. vss.* 108-125, *lex Malac. vs.* 54. Councillors were chosen for life,—that is, provided the quinquennial revision did not exclude them on the ground of misconduct. Among their duties was that of residing within a mile of the town. Non-compliance caused expulsion. Absenteeism was visited with a fine. The councillor had not only social honor, but specific immunities. The council sat in the town-hall, was called and presided over by the highest municipal officials. Details of the method of passing ordinances show a remarkable parallel to that of legislation at Rome. The matter for consideration was brought up by the presiding officer or a member of council. The ordinance was published and a copy preserved in the archives. We find in the documents, the year (named from consuls), day and place of meeting, number present, witnesses to accuracy of protocol, ordinance itself with terse statement of reasons and the vote—thus in all important points paralleling in form the *senatus consultum* of Rome.

As to the respective competence of local council and citizens, the empire, says Liebenam, took away from the citizens their leading position. So in the state it subverted that fundamental principle of the Roman constitution, that the legislative function resided in the people. Local regulations now devolved upon the council, as the legislative function at Rome under the early empire passed first to the senate. If we examine the documents implying popular co-operation, we find them dealing with matters of trifling import. The Spanish inscriptions prove that the change was gradual. In this, as in many other respects, eastern communities had an exceptional position, owing to Roman political tact.

The council had its own officials, subject to its control and liable to punishment in case of malfeasance. On the other hand, no valid ordinance could be passed except at a session duly called by the proper magistrates. As corporation, the council managed town property, attended to its finances, audited the accounts of its officials, rented its lands, etc., cared for religion and education, engaged teachers, physicians, sent out ambassadors, provided grain supplies, games and amusements, awarded honors, regulated building in the town, etc.

It is the third book—all too brief—that will most interest the general reader,—“*Staat und Stadt*.” Here is shown the influence of the central government on municipal development. In the previous books the author has not always differentiated historical periods, and the reader feels that he is consulting a lexicon—a valuable work of reference. But in the third portion of the work the historical feature is well developed. The author gives us an imposing catalogue of municipalities: “The empire was, at bottom, a union of municipalities.” Their splendid development under the Roman peace of the early empire is tersely and clearly expressed. Roman statesmanship did not yet hem in local self-government, still respected local customs. Yet Rome’s influence was immediately and increasingly felt. Weights, measures, coins must be standard. Roads had Roman milestones. To this period Mommsen’s words, quoted above, may apply. One important line of influence Liebenam seems to overlook: that of the Roman private law, necessarily studied by every provincial who aspired to political preferment. Other paths of influence, too, he is perhaps forced by space to treat cavalierly. But he sees clearly the goal in Rome’s world-historic mission of fusing the heterogeneous nationalities of the Mediterranean world into a homogeneous union, a Graeco-Roman “*Kulturwelt*.” Then he observes the growing disregard for local self-government, loss of respect for local customs and observances, the imposition of heavier burdens upon the

municipalities, the growing disinclination to accept municipal office with its grievous burdens. "If a man," says Gibbon, "were called to fix the period in the history of the world during which the condition of the human race was most happy and prosperous, he would without hesitation name that which elapsed from the death of Domitian to the accession of Commodus." "It is in this very period," says Liebenam, "that municipal decay begins." The book ends with an interesting discussion of the alleged grounds for Rome's decay.

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*The Right to the Whole Produce of Labor.* By DR. ANTON MENDER, Professor of Jurisprudence in the University of Vienna. Translated by M. E. Tanner, with an Introduction and Bibliography by H. S. Foxwell, M. A., Professor of Economics at University College, London. Pp. cxviii and 271. Price, \$2.00. London: Macmillan & Co., 1899.

The task which Professor Anton Menger has set himself in this and other essays is one, the importance of which cannot easily be overestimated. It is the application of jurisprudence to the study of economic and social questions. Professor Menger, as a jurist profoundly interested in the development of society, endeavors to add to the fullness of our knowledge by a critical examination of what many have regarded as the central demand of modern socialism, viz.: the right of labor to the entire industrial product, and he conducts his examination from the legal point of view.

It is proposed, he argues, to reconstruct modern society in such manner that the man who toils may receive all that is produced, making no abatement from the product for interest or rent. The demand of the socialist, which Professor Menger examines, is that individually unearned income shall cease to exist. This postulate, if we conceived it realized in society, signifies a society resting on an entirely new foundation of law and justice.

Professor Menger opens his book with these words: "The social aspirations of our time aim essentially at a reorganization of the economic life of mankind. They start, it is true, from a searching criticism of our existing economic conditions; but this criticism leads to certain juridical postulates which involve an organic reconstruction of our actual rights of property."

If socialism proposes an organic reconstruction of our actual rights of property, it is of the first importance that a trained jurist

should give it a critical examination from his point of view, and this is precisely what Professor Menger undertakes. Professor Menger, applying the critical methods of jurisprudence to the examination of socialist programs discovers a legal demand for "the whole produce of labor." But alongside of this demand he finds another legal demand, which makes the claim that all human needs should be satisfied in proportion to the available economic means of satisfaction. Let us suppose both claims examined in a court of law; and what is the result? Manifestly one or the other must be thrown out. "Any attempt to carry to a logical conclusion the idea of the laborer's right to the whole produce of his labor is immediately confronted with the numerous persons who are incapable of work (children, the aged and invalids, etc.), and who must depend for the satisfaction of their wants on unearned income."

The two principles lead to different results, and these two principles are generally found coexisting in socialistic systems, bringing into them contradictions and many inconsistencies. When wants are made the standard of division, the right to the whole produce of labor is pushed into the background; but it is possible to introduce wants to a limited extent, as in the claim for a recognized "right to subsistence." Such a claim in a very narrow way is recognized even now in our poor law. This "right to subsistence" is examined by our author, as is also the demand for the recognition of a "right to labor;" that is to say, the right not to seek employment, but the right to demand that an opportunity to labor be furnished. This, it is shown, is essentially a compromise of rights, being something between existing rights and socialism.

Professor Menger, in this little book, undertakes a critical examination of modern socialism in England, France and Germany, with reference to the attitude assumed towards these various rights, and strangely enough, as it will seem to most persons, he finds the greatest originality among the early English socialists, and imputes large borrowing if not downright plagiarism to the great German leaders, Rodbertus and Marx. To William Thompson he ascribes a remarkable position, in these words: "So much of the socialist philosophy as centres in the right to the whole produce of labor is completely expounded in the writings of William Thompson. From his works the later socialists, the Saint-Simonians, Proudhon, and above all, Marx and Rodbertus, have directly or indirectly drawn their opinions. And yet modern historical works take but little notice of a writer who is the most eminent founder of scientific socialism."

While most students will gladly recognize the historical service which Professor Menger has rendered in the attention which he has



called to the early English socialists and in his description of their work, there are comparatively few competent judges who will not feel that he has gone too far in disparagement of the Germans and too far also in the scientific merits which he ascribes to the English writers, whom he examines. The present reviewer would also say that in his opinion Professor Menger has elsewhere met with larger success in the study of social problems from the standpoint of jurisprudence ; especially has our author succeeded better in his critical examination of the new German civil code from the standpoint of the poorer and propertyless classes.

Praise must in generous measure be accorded Professor Foxwell for his historical introduction and his full bibliography. We hope for further work along the lines of the present volume, both by Professor Menger and Professor Foxwell.

RICHARD T. ELY.

*Madison, Wis.*

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*Dictionary of Political Economy.* Edited by R. H. INGLIS PALGRAVE, F. R. S. 3 vols. 1894-99, London and New York : The Macmillan Co. Vol. 1, A-E, 1894, pp. xvi, 800; vol. 2, F-M, 1896, pp. xvi, 848; vol. 3, N-Z, 1899, pp. xxii, 762: with index to all three volumes and list of contributors. Price, \$6.50 per volume.

Within the limits of the ordinary book review it is impossible to describe or criticise with any fullness the twelve years' labors of the editor of the new English "Dictionary of Political Economy." It is worth while, however, to attempt to point out the relation of the result to other works accessible to students in this field and to indicate some of its chief merits and limitations. It is primarily a dictionary and not an encyclopedia. Thus it defines a large number of words, terms, and technical phrases found in current economic literature, gives a host of very brief articles and notes illustrating the various attempts to apply economic theory to business life, trade, government and education, and makes a special feature of bibliographical references, in several languages, to serve as an index to the best literature now influencing the development of economic theory and practice in Europe and America. Six years have elapsed between the publication of the first and the third volumes, and yet, while bibliographies soon become antiquated, for many years to come these volumes will be a useful source of reference by reason of the excellent judgment displayed in the concise statement of all shades of current opinion with a summary of its historical development and a remarkably satisfactory sense of proportion in selecting that which is

truly representative. For these merits of the work we have to thank Mr. Palgrave, whose wide experience with men, impartial and keen judgment of tendencies and movements, and rare patience in personal supervision of each article, are visible from beginning to end and give these volumes a character and unity not found in any other similar work. Another fact that will guarantee more permanent value to this Dictionary is the fact that so many well-trained specialists have contributed to its pages.

Economic literature is being widely read to-day by laymen and by a host of students who do not want to specialize in this direction. To such the new Dictionary will prove a most valuable reference volume and, if judiciously and freely used, a boon companion to whet the appetite and promote accuracy and fullness of information. Biographical sketches of the chief writers abound and furnish some material for judging of a man's theoretical position and relative authority to speak on a given topic. If the average reader of current economic literature would make it a rule not to pass by a single phrase he did not understand without looking it up in the Dictionary and following out a few of the cross references which are admirably arranged throughout all three volumes, there would be considerably less confusion in terminology and fewer economic heresies finding expression in the ridiculous pamphlet literature of the day.

The professional economist will be the one most likely to criticise adversely and to feel a certain sense of disappointment in the Dictionary. This will be especially the case if he is accustomed to use Conrad's *Handwörterbuch der Staatswissenschaften* and other German encyclopedias. His criticism will be chiefly directed toward the brevity of treatment of many topics in the Dictionary and because of an unjust comparison with works with which the Dictionary does not attempt to compete. On the score of accuracy and breadth of view no fault can be found. There can be little doubt, however, that the specialist of the most pronounced type will find, when he understands more fully the scope and uses of the Dictionary, that it is no less serviceable to him as a time-saver in verifying and extending his general information in portions of the field of economic science more or less remote from his specialty. There is no other work in any language that will furnish a complete library of information on a large number of topics in the way that Conrad's *Handwörterbuch* does, and that too by the ablest specialists who can say the last word on controverted points, but for that very reason the *Handwörterbuch* is more limited in the number of topics treated and is silent at many places where the Dictionary furnishes valuable suggestions. The American Encyclopedia of Political Science, Political Economy, and

United States History is broader in its scope than either the Dictionary or the *Handwörterbuch* and not so satisfactory nor widely useful as either. The two French Dictionaries with which the professional economist will unconsciously make comparison have the disadvantage of being partisan works carefully edited to present the views of only one school of economic thought. Mr. Palgrave has happily overcome one great difficulty and has even given the Germans pointers in specialization by dividing up many of the important articles where controversial questions would naturally enter and assigning different parts to different writers. Where the different schools of thought differ, every attempt is made to present both sides impartially.

American and English scholarship, as well as many of the ablest continental writers, are well represented in the Dictionary. All the leading university professors of the social sciences in England and America, with the rather notable exception of Professor Alfred Marshall of Cambridge, appear in the list of contributors; and among those on the continent we notice Stephen Bauer, Gide, Greven, Loria, v. Leyden, Leser, Oncken, Pantaleoni, Rabbeno, Van den Berg, and others. Among the American contributors will be found Professors Andrews of Bryn Mawr; Ashley, Taussig and Dunbar of Harvard; Hadley of Yale; Morse Stephens and Jenks of Cornell; Giddings, Mayo-Smith and Seligman of Columbia; General F. A. Walker and Professor Dewey of the Massachusetts Institute of Technology; Rowe of the University of Pennsylvania; Ely of the University of Wisconsin, and others. Many names of men prominent in public and official life in this country and abroad appear also in this list; and we are glad to note so many contributions from the pen of the editor himself, some of them on topics on which he has won a world-wide reputation as a specialist.

The longest articles in the Dictionary do not often exceed five to six thousand words, a few run over ten thousand and the one on Adam Smith, which seems to be the longest, is probably over twenty thousand. Perhaps an enumeration of the titles of some of the articles to which most space has been given will serve to show where the emphasis has been laid and thus indicate somewhat more of the scope of the work. In Volume 1, we note that the longer articles are those on Administration, Agriculture, Balance of Trade, Banking, Bimetallism, Census, City, Commerce, Competition, Co-operation, Distribution, Dock, English Economic History; in Volume 2, the articles on Finances, Forests, Free Trade, Geography, Guilds, Historical Method, Insurance, International Law, Labor, Malthus, Method of Political Economy, John Stuart Mill, Money and Municipal Government; in Volume 3, the articles on Physiocrats, Police, Political Economy, Prices,

Rent, Adam Smith, Taxation, Value, and Wages. There are excellent articles on the German, French, Italian, Austrian, Russian, and other national groups of economic writers.

The work as a whole has been not narrowly, but rather strictly confined to economics and its application within the field of existing governmental activity. In as much as the Dictionary aims adequately to represent current economic thought, rather more space might have been given to the relation of economics to social philosophy and to current social movements since so many economists have turned their attention of late to the more distinctively sociological problems of modern life. The closely related fields of both theoretical and practical politics are but slightly touched upon, and there is still less reference to anything within the range of Anthropology and Ethnology, all of which cognate subjects figure increasingly in the economic writings of our time. However, such omissions are doubtless due to the desire to keep the Dictionary within a comparatively small compass, to do its chief work more thoroughly, and to bring it within the means of a larger circle of readers so far as its cost is concerned.

Both editor and publishers are to be congratulated upon the successful completion of an undertaking, involving so many difficulties and risks, in a manner that reflects credit upon English scholarship. We are perhaps hardly ready yet for either the successful editing or marketing of an English Encyclopedia of the Social Sciences on a scale comparable in scientific value to that of the Germans and, until we are, we can at least expect our Dictionary to prove itself a real help to student and general reader alike in promoting more thorough economic study and investigation.

SAMUEL MCCUNE LINDSAY.

*University of Pennsylvania.*

## NOTES ON MUNICIPAL GOVERNMENT.

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### AMERICAN CITIES.

**New York State.**—*Civil Service.* The working of the so-called Black Civil Service Act, which was intended to take the starch out of the civil service, has been so unsatisfactory that a number of bills have recently been introduced into the state legislature with a view to removing the manifest defects. A circular issued by the City Club of New York gives a very clear exposition of the present situation.

At the present time "three distinct systems of appointment exist as a result of the confused legislation of the past two years. In the departments and institutions of the state the Black Act is in force, as far as it has ever been possible to enforce it; in New York City, under the special authority alleged to be found in the charter, a system quite different from anything previously existing has been built up; while in Buffalo, Rochester, and, in fact, every other city of the state, the original act of 1883 is in force, having been revived by an act passed in March of last year.

"In New York City during 1898, under rules that differ widely from those in force elsewhere, and that have not been approved by the state board, the law has practically broken down. Seven hundred appointments were made without examination to 'confidential' or 'excepted' positions. Sixteen hundred were made under 'temporary' certificates, the majority of which are still continued. Five thousand were appointed as 'laborers,' many of whom were promptly 'assigned' to duties which should be performed only by persons who have passed competitive examination; and, exclusive of temporary medical inspectors in the health department, not more than five hundred were appointed after competitive examination. The result of this wholesale violation of the constitutional requirement of competitive examinations has been a great increase in the number and in the salaries of employes, and a material difference in the tax rate for the coming year. If these conditions are not corrected, the law, in so far as it applies to New York City, might as well be repealed.

"The bill which has been introduced and is being actively pushed, provides that all examinations shall, as far as practicable, be open and competitive, and that the tests employed be of a thoroughly practical character. For laborers the examinations would relate only to mechanical skill or physical capacity. Each appointment would be made,

as at present in the state service, from the eligible list most appropriate for the position to be filled; and the device of creating positions with titles unknown to the classification under the civil service law, now resorted to by appointing officers desiring to exercise arbitrary power of appointment, would become unavailable. Under the present law a temporary appointment may be made, for not more than thirty days, to a position for which an eligible list of applicants is not in existence; but hundreds of such appointments have been continued in New York City under the present administration for more than a year, with the prospect of further continuance. In the case of positions excepted wholly from examination, the provisions of the bill would permit only appointments under each title, unless otherwise provided by the rules.

"The section relating to cities would not interfere in any way with the principle of home rule. The local officers would have entire freedom of action, provided they did not violate the terms either of the constitution or the general act. In order to insure uniformity, the rules of each city would be submitted to the state commission, but for approval only. The mayor would appoint city commissioners. If he fails to do so within sixty days, the state commission may make the necessary appointments; and if the city rules are not drafted within sixty days more, the state commission may draft such rules. The state commission would have power to amend or suspend rules made by a city commission, if, after explanation by the city commission, it appeared plainly that the rules did not carry out the purposes of the law; and to remove local commissions for proved inefficiency or misconduct, but only by unanimous vote, after a full hearing on written charges and with the approval of the governor.

"The extension of the complete merit system to the counties of New York, Kings and Erie, as provided by the bill, clearly comes within the requirement of the constitution that the system shall be applied 'so far as practicable' to all public offices. The system is especially applicable to the large offices of these counties, in which hundreds of persons are employed. It is notoriously the fact, moreover, that the conditions in the county offices of New York require radical correction; and the application of the civil service rules to these offices cannot fail to have a good effect."

**Chicago.**—*Civil Service.* The Fifth Annual Report of the Civil Service Commission<sup>1</sup> records 5,270 official and 4,630 labor applications filed during the year. There have been 3,201 applications for positions in the official civil service since the Civil Service Law

<sup>1</sup> Timothy J. Cochran, Commissioner and Chief Examiner, 944 State street, Chicago.

became operative in August, 1895, and 2,508 for the labor service, making a grand total of 5,709 to December 31, 1899. The power of the commissioners under the present law is broader than that enjoyed by most municipal commissions. They are vested with power to make rules having the force of law and which have in every instance been upheld by the courts. The supreme court of the state has held that a certification cannot be set aside and that a decision of the Civil Service Commission, so long as the forms of law are observed, cannot be reviewed by any writ of certiorari. Discharged employes are entitled to a hearing before the commission. Vested with these powers the commission exercises complete control over the administrative service of the city and through its supervision of the pay rolls is enabled to keep close control over the changes in the administrative service of every department.

**Pittsburg.**<sup>1</sup>—*Official Responsibility.* The discovery of a system of fraud upon the city, by means of falsified pay-rolls in the bureau of highway and sewers, has had unexpected developments, directing public attention to the extent and nature of the responsibilities of heads of municipal departments. The director of the department of public works, who brought the matter to public knowledge, took the ground that prosecution and recovery were the business of the city controller and city attorney. A municipal ordinance gives the controller "supervision and control of the fiscal concerns of all officers of the city," and an act of assembly requires him to "report in writing to the city attorney any default or delinquency of any receiving or disbursing officer." These provisions were construed by the director and his adherents as removing from him the duty of following up the frauds. But the city charter provides that the heads of departments "shall appoint and be responsible for all the officers and employes of their several departments," and city councils held that the director was individually responsible for the acts of his subordinate, who was appointed by him and was bonded to him.

The dispute between councils and the director as to the site of the responsibility became acrimonious, and councils decided to remove the director from office. There was great public excitement, and it was vehemently denied that councils had the power of summary removal. The director was advised by his counsel that he could not be removed except upon impeachment proceedings, and he announced his intention of holding on to the office, in spite of adverse action by councils. An act of assembly of April 6, 1867, provides that "any officer or agent appointed by or under the authority of the city councils may be removed from office by a concurrent vote of a majority of

<sup>1</sup> Communication of Henry Jones Ford, Pittsburg, Pa.

all the members of each council." On June 11, by a vote of 63 to 21, councils removed Mr. Edward M. Bigelow from the office of director of the department of public works, and immediately elected his successor. The rooms occupied by Mr. Bigelow in the city hall were seized the same night, and steps were taken to resist any attempt by him to recover possession. The next morning, however, Mr. Bigelow announced that he would make no contest.

While this controversy was going on no steps were taken against the speculating bureau chief, and he disposed of his property and left the city. After the change in the directorship took place a warrant was issued for his arrest, but before it could be served he died from chronic ailments. On July 31, the city attorney entered suits against Mr. Bigelow and his bondsmen for sums amounting to \$49,353.26, on account of the speculations.

The affair has had the effect of causing a thorough discussion of official responsibility, forcing matters upon public notice, to which no attention had been given before. The charter has been subjected to a test which has shown its efficacy as an instrument of control, and at the same time the discretionary authority of councils has been exhibited in a way instructive to public opinion.

**Massachusetts.**—*Gas and Electric Lighting Commission.* The Fifteenth Annual Report of the Board of Gas and Electric Lighting Commissioners gives abundant indication of the thorough control which this board has gradually acquired over the gas and electric light undertakings, both private and municipal. One of the most important powers exercised by the board relates to the extension of the supply in cases where consumers demand such extension from private corporations. The statute provides that upon application of prospective consumers the board may issue an order requiring the company to supply gas or electric light upon such terms and conditions as are legal and reasonable. The board is, therefore, able to exercise continued pressure upon the companies to extend and develop their systems and not to confine themselves to the utilization of the most remunerative portions of the city. The board has continued to exercise careful control over the capitalization of the gas and electric light companies throughout the commonwealth.

On the question of municipal ownership the report shows a marked tendency towards the gradual extension of municipal functions in acquiring gas and electric light works. On June 30, 1899, seventeen towns owned and operated either the gas or electric lighting system, or both. The tendency seems to be for the towns to take up electric lighting rather than the gas supply, for of the seventeen towns in



question fifteen operated the electric light plants, and but two gas and electricity. During the year 1899 the towns which have taken action favorable to municipal ownership and operation are Westfield, Belmont, Beverly, Concord, Hudson, Hull, North Attleborough, Revere and Taunton.

*Metropolitan Water Works.* The Fifth Annual Report of the Metropolitan Water Board gives an interesting account of the extension of the field operations of the board. Under the original act the metropolitan district was made to comprise the cities of Boston, Chelsea, Everett, Malden, Medford, Melrose, Newton, Somerville and the towns of Belmont, Hyde Park, Revere, Watertown and Winthrop. The act permitted the admission of other cities and towns within a radius of ten miles of Boston, on conditions prescribed, and soon after its passage the city of Quincy and the town of Nahant were admitted. Arrangements were also made for supplying water to the town of Swampscott, which is situated beyond the ten-mile limit. The town of Arlington made application for admission into the district in November, 1898, and was admitted early in 1899. Under the arrangement the town paid the sum of fifteen thousand dollars in cash, and in addition transferred to the board property of an estimated value of fifteen thousand dollars. Although the board has been in correspondence with a number of other towns, no further admissions into the district have been made. The board is gradually acquiring control over all important water-sheds available for the supply of the district, and has already expended nearly twenty-one million dollars in improvements. With the gradual extension of its sphere of influence, it seems possible that the whole eastern district of Massachusetts will become one great municipal corporation, so far as the water supply is concerned.

*Civil Service.* The Sixteenth Annual Report of the Civil Service Commission of Massachusetts for the year 1899 reviews the activity of the commission during that period. The most interesting phase of the work has been the further development of the classified labor service. In Chapter 328 of the Acts of 1897 it was provided that applicants for the labor service in municipalities should be allowed to register to the number of five hundred on the first Mondays of February, May, August and November in each year. On the first of January, 1899, the commission ordered that the registration of laborers in Boston should be made upon the morning of every week day except Saturday. In Boston alone 4,643 men were registered during the year. There were 296 requisitions for labor service received, and 1,022 persons were certified. In Cambridge the number registered was 737, and 35 requisitions were received, upon which 596 names were

certified. For the other cities for the classified labor service the relation of registry to certification was as follows:

	Number Registered.	Number Certified.
New Bedford . . . . .	236	199
Newton . . . . .	80	40
Everett . . . . .	187	167
Worcester . . . . .	1,318	1,144

**Boston.**—*Rapid Transit.* The report of the Boston Transit Commission for the year 1899 records the following at the close of the first year of operation of the new subway: The cost to date has been \$4,152,224.17, which is over \$800,000 less than the original estimate. It furnishes, therefore, one of the few instances in which a public work has been constructed for less than the original estimated cost. The Boston Elevated Railway Company, which enjoys a virtual monopoly of the street railway service, pays an annual rental of 4.78 per cent on the cost of the work. In 1899 this rental amounted to \$199,205.01. During the year the subway has undertaken some alterations in order to make it adaptable to the use of the elevated company, which is now constructing its system.

*Municipal Concerts.* The report of the municipal music commission gives an interesting account of the attempt of the municipality to furnish the best grade of musical entertainment. The appropriation of \$10,000 in the year 1899 was insufficient to meet the demands of the population, as the commissioners state that the work which has been undertaken "has proved of the very highest attractiveness and benefit to those classes of music-loving people of the city whose means do not enable them to pay for attendance at performances of as good a class of music as the department has furnished since its organization." The work which Boston has undertaken, while still on a comparatively small scale, is of such importance as an indication of the extension of municipal activity that the results of the experiment will be watched with great interest by other municipalities throughout the country.

**Indianapolis.**—The Fifth Annual Message of the present mayor of Indianapolis indicates the activity of our smaller cities, in coping with the various municipal problems consequent upon the development of industries and upon the congestion of population. The time has come when the city is in urgent need of a sinking fund, a permanent pest house, a sheltered market, and a plumbing inspector. The time has also come when the Indianapolis Gas Company can afford, and has been made to contract to furnish "artificial gas at one dollar per 1,000 cubic feet, with a proportional reduction for increased

consumption." The time has not come, however, when the loss of life at railroad crossings is so great, that, in abolishing the grade crossings, the city can afford to antagonize "the railroad and the manufacturing interests, upon which the city, situated inland as it is, depends and must always depend for its prosperity and advancement." Therefore the mayor's veto of the "ordinance of 1899, requiring the elevation of all railroad tracks within a certain radius."

Notwithstanding the mayor's recommendation for the erection of a pest house, sheltered market, etc., and for the continuance of liberal appropriations to parks, he congratulates the city upon "the reduction of the tax levy for the year 1900 from seventy cents to fifty-nine cents on the \$100." Doubtless recalling that such cities in Massachusetts regard \$10-\$16 on the \$1,000 as low, he says that "it will be impossible to keep the levy at the present low rate, unless some measures are taken to obtain revenues by taxing private corporations for use of streets and alleys, as prescribed in the city charter." (Indianapolis received last year from two telephone companies, one light and power company and one street railway company, \$42,000, enough to pay the city gas bill. While from various licenses, the receipts were \$194,000, or the equivalent of the expense of water, and gas, and electric lighting.)

The message contains a disquisition upon the influence of the tax-rate upon the growth of a city. It will be seen that the mayor does not discourage the doubling of the rate, providing this increase be in the nature of an investment. "Indianapolis presents many attractions, both as a place of residence as well as a manufacturing and business centre, and it should be the constant aim and endeavor to build up the city in those respects which are for the comfort and welfare of her citizens. Among these things may be mentioned a low rate of taxation, and I am glad to state such a rate has been maintained in Indianapolis, the lowest of any city of its class in the United States. It should constantly be the aim to keep the tax-rate at the lowest possible limit, but not at the expense of clean streets, an adequate fire and police protection, sufficient public lighting, safe and durable bridges, a suitable city hospital, and other public necessities."

**Iowa.**—*State Board of Control.* In 1898 the legislature of Iowa passed an act creating a State Board of Control over educational, charitable, reformatory and penal institutions, which represents the widest extension of state control which has yet been made. The act provides for a commission of three,<sup>1</sup> to be appointed by the governor, with and by the advice and consent of the state senate. The

<sup>1</sup> William Larrabee, L. G. Kinne, John Cownie, members of the Board of Control of State Institutions, Des Moines, Iowa.

term of office is six years and the compensation \$3,000 per year. The commission is vested with full power to control the soldiers' home, the state's hospitals for the insane, college for the blind, school for the deaf, institution for the feeble-minded, soldiers' orphan home, industrial home for the blind, two industrial schools and the state penitentiaries. The board is also charged with the duty of investigating the reports and doings of the regents of the state university, the trustees of the state normal school and the state college of agriculture and mechanic arts, for the purpose of ascertaining whether the persons holding these positions have faithfully accounted for all moneys of the state which have been drawn from the state treasury in accordance with the law and have been so expended. As regards the charitable, reformatory and penal institutions, the powers are of the most inclusive character, as the board is expected to visit and inspect at least once in six months each of the institutions named and investigate their financial condition and management. They are to prescribe the forms of records and the kinds of accounts to be made and kept by the institutions specified; they are to make suggestions to the legislature respecting legislation for the benefit of these institutions; they may employ an architect to prepare plans, specifications, estimates and details for the building and betterment of these institutions. In addition they have power to investigate the question of the sanity and condition of any person committed in a state hospital and to discharge such person; to compel the superintendent, warden or other chief executive officer of each of the institutions under the control of the board to provide adequate and ready means of protection against fire. To fix annually, with the written approval of the governor, the annual or monthly salaries of all the officers and employes in the several institutions, except such as are fixed by the general assembly.

The board is to make the rules and regulations respecting the manner in which supplies shall be purchased and contracts made for the institutions under its control. The first biennial report of this commission has just appeared and contains an exhaustive examination of the financial conditions, the system of administration and the work done in every institution under its care. The most important service performed by the board has been to enforce a high standard of efficiency in all these institutions and to safeguard the disbursement of funds. The extension of the work of the board in controlling the construction and equipment of institutions is likely to make of it the most important organ in the administrative system of the state.

**San Francisco.**—*New Charter.* After three unsuccessful attempts the city of San Francisco has finally accepted the charter which was

framed under the constitutional amendment of 1890. This amendment gives to cities the power to call a charter convention, composed of freeholders, for the purpose of framing a charter, which charter goes into effect after being submitted to the legislature. For one reason or another the charters thus framed have in three successive instances been rejected by the people of San Francisco at popular elections. Finally, in 1899, a fourth charter, framed in this way, was accepted. In the new charter, the legislative power is vested in a board of supervisors, to which the formulation of municipal policy is confided. One of the important duties of this board is to fix the rate for gas, water and electric lighting which may be charged by private companies. While the board is limited by the legal principle laid down by the courts, that the companies are entitled to a fair return upon the reasonable value of their property at the time it is being used for the public, there is, nevertheless, considerable discretion left with the board. During the year 1899 the board made a reduction in the price of gas from \$1.75 to \$1.50 for private consumption and from \$1.50 to \$1.35 for public lighting.

*Election Under the New Charter.* The recent election under the new charter of San Francisco is of special interest as an indication of the probable effect of municipal home rule upon local political life. As we have already had occasion to point out in previous numbers of the ANNALS, the California constitution permits its cities to frame their own charters by means of a local charter convention. In 1899 a charter thus framed in San Francisco was accepted by the people at a special election. The first municipal election under the new charter called forth a special municipal party platform from both the democratic and republican parties. As such platforms are by no means common in this country, it is of interest to examine their condition. The most important provisions of the democratic platform advocate the public ownership of the water system and a reduction in price of gas and electric light. The republican municipal platform is very specific and pronounced in its advocacy of municipal ownership of public utilities. Both platforms are marked by the usual vagueness of such instruments, which enables a ready evasion of the principles to which the parties have committed themselves.

#### FOREIGN CITIES.

**Municipal Socialism in England.**—The American social reformer has apparently conceded that the foundations for reform must be first laid in the city, before state and national politics can be improved. Scarcely a city of note is without its municipal program, whether this be advocated by some labor leader, aggressive mayor or citizen's

league. Almost without exception these programs are defended by appeals to English successes in the establishment and conduct of various municipal enterprises. Opponents on grounds of principle are challenged to apply their theories and justify their prophecies in the specific cases of the abattoirs of Birkenhead, the tramways of Liverpool, the garbage, electric light, public bath plant of Shoreditch, the model lodging-houses of Manchester, the wash-houses and nurseries of Leeds, the potato fields of Brighton, or the artisans' dwellings of nearly every urban and rural district.

Singularly enough, the opposition to municipal enterprises has centred in the principle of government involved. It for a time seemed sufficient to sneer at these projects as socialistic. Later it became necessary to suggest that it was unsafe to follow English precedent or to adopt English theories, because our people and our conditions were radically different. But there still remained the uncontroverted successes of municipal enterprises in England, and the demand grew for public ownership of public utilities and natural monopolies, as well as for various sanitary improvements. There seems at the present time a regular campaign in progress against individual control not only of water, of gas and electric lighting, but likewise of street railways and even of telephones, while Boston leads the way in constructing free public baths. It would seem that now, in order to arrest this movement in American cities, it will be necessary to question the formerly impregnable argument that municipal trading in England is a success.

At the present time, a joint committee of both Houses of Parliament is inquiring into the effect of municipal trading, the Earl of Crewe being chairman of the committee. Evidence is being taken, not only from the high officials of the various municipal corporations, but also from representatives of the various trades, capitalists and other specialists in different departments of enterprise and administration. Thus, practically for the first time, the success of English municipal trading has been officially and seriously challenged. In later numbers of the ANNALS, we will give portions of the most important evidence taken, as well as the essence of the committee's report. At the present time we wish to call attention to the popular discussions through which the opposition of the conservative element to municipal socialism finds expression. To that end we cite Lord Avebury's article in the July *Contemporary Review*, entitled "Municipal Trading." The article contains six objections to municipal trading and proposes three conditions to its extension. The objections follow:

I. *Such a policy will involve an enormous increase of debt.*—One is surprised to learn that the amounts proposed to be raised by

municipalities during the past six years have grown from \$8,200,000 to \$195,000,000; that the indebtedness of local bodies in 1900 is \$1,250,000,000. It seems that the taking over of the water, gas, tramways and dwellings for the poor would add respectively, 500, 250, 150 and 250 millions, or over a billion dollars. These figures give some evidence of the wealth of English local bodies; they may not be conclusive evidence of the danger of municipal indebtedness.

II. *Municipal trading checks private enterprise.*—"Who will risk his money in competition with town councils, which have the bottomless purse of the taxpayers to draw on and have not to face any risk themselves?" "Speculative investments ought not to fall within the limits of municipal duties, or to be made with ratepayers' money." In London, it seems that one-fourth of the electors pay no rates; the writer evidently not granting that the poorer tenant indirectly pays rates. The statement is made that the Progressive party makes greatest gains in those districts where these non-rate-paying electors are in greatest proportion. Perhaps the fairest charge under this heading is that "local authorities from the first to the present have obstructed the introduction because they were interested in gas."

III. *The demand on the time of municipal councillors will preclude the devotion of sufficient consideration to real municipal duties, and will prevent business and professional men from undertaking municipal work.*—"On the London County Council, any councillor who takes his average share of committee work must even now devote at least three days to the work of the council. But if the water supply, electric lighting, management of tramways, the supply of omnibuses, etc., are to be undertaken by the council, the members must be prepared to devote the whole of their time to the business of the council, and even that will not be sufficient." The writer does not say that present burdens have caused any deterioration in the character of councillors.

IV. *It is undesirable to involve governments and municipalities more than can be helped in labor questions.*—"Already the staff of the London County Council forms a little army, and exercises a distinct influence in some municipal elections. Still, at present, the council employs the staff, but if the present tendency continues, the time will not be far distant when the staff will employ the council. . . . There is, moreover, some risk of jobbery and corruption, and we have in New York an example by which we should do well to take warning while we may."

The reader must be struck here with the mildness of the charges, conceding by implication that there is little concrete evidence of imminent danger of the kind cited.

V. *The interference with natural laws, in some important cases, has the effect of defeating the very object aimed at.*—"Take for instance the housing of the poor. It is generally agreed that in many, perhaps most of our cities, there are slum districts with houses unfit for human habitation. The municipalities have power under the existing law to compel the owners of such property to put it into a proper condition, and this power might be exercised; or secondly, they might buy the property and build workmen's dwellings themselves. The second is that adopted by various municipal authorities."

Octavia Hill is quoted as opposing this plan for three reasons: (1) The work will be done expensively. (2) The councils, which ought to be the supervising authorities, will themselves be pecuniarily interested in the houses to be supervised. (3) The electorate will be in large measure composed of tenants of the body to be elected. Of these objections, the serious one is the second. Health officers are experiencing throughout the kingdom that the economies demanded by rate-payers are incompatible with the sanitary building demanded by the building inspector. Municipalities are erecting tenements which are already a nuisance in the eyes of the present generation of sanitarians; for instance, Leeds is building back-to-back houses, in the face of protests from the chairman of the sanitary committee. Thus do municipalities not only give their sanction to unsanitary building, but they add to the opposition which sanitary reform of the next generation must overcome.

Lord Avebury suggests a correction of the expression "Housing of the Poor." He maintains that in actual practice the poor are housed in greater proportion than they are housed. This is a grave charge, and it is to be regretted that general statistics were not adduced to support it. It deserves mention, however, that a considerable proportion of the sanitary officials and reformers of the kingdom feel that the standard of habitation can best be raised by exacting building rules and careful inspection. They call attention to the fact that Professor Geddes, in regenerating Castle Hill, in Edinburgh, purged one slum only to create another, while Shoreditch has dishoused the needy to enable the less needy to lower the amount of rent paid for desirable houses. It quite shocked the rate-payers when it was discovered that one of the largest tenements was occupied almost exclusively by ministers of the gospel, who, presumably, do not belong to the needy classes.

VI. *"There is a risk, not to say certainty of loss."*—It must be said that the article does not bring figures from a sufficiently wide field to demonstrate this proposition. It is interesting to know, however, that in 1899, of the boroughs supplying their own water, there was a



profit of \$700,000 in twenty-eight, and a loss of \$1,300,000 in nineteen. The essential question is, of course, are boroughs trying to make profits from their water works?

Manchester might have been cited. There it was found necessary to erect cottages as a concession to the prejudice against tenements. One area devoted to cottages holds eighty-two families; another of equal size occupied by tenements, is inhabited by 800 people. In this case, either the cottages must be rented at a loss, or else lack the sanitary conveniences, which are possible in the large tenements.

Lord Avebury distrusts and attacks municipal trading as the "essence of socialism," and would check its growth by the following provisions:

1. No extension of municipal trading for purposes not yet sanctioned, except after full notice and special parliamentary inquiry.
2. As regards water, lighting, tramways, and telephones, fresh undertakings by municipalities should only be sanctioned if it can be shown that there are special reasons why they should be carried on by the municipality rather than by private enterprise.
3. Any rate-payer objecting should have a right to be heard and give reasons against the bill.

The drastic character and practicability of the remedy proposed are good subjects for our consideration.

## SOCIOLOGICAL NOTES.

**Social Economy (Group 16) at the Paris Exposition.** It is interesting to note the appointment of Professor Edward D. Jones, of the University of Wisconsin, and a member of the American Academy of Political and Social Science, as a juror in the Social Economy Group at the Paris Exposition. Professor Jones has been in Paris since the middle of last February engaged in installing the exhibits in Social Economy, the chief features of which are : (1) An exhibit of model tenement house plans, photographs of present conditions, etc., by Mr. Veiller, chairman of the Housing Committee of the New York Charity Organization Society ; (2) an exhibit of the Social and Industrial Conditions of the American Negro, under the supervision of Mr. Calloway, of Washington ; (3) an extensive and systematic exhibit of photographs, administration blanks and other literature of charitable institutions and societies, under the charge of Mr. Homer Folks and Mr. H. S. Brown, of New York City ; (4) a large collection of photographs and lantern slides, illustrating the movements inaugurated by employers for improving the condition of their employees, provided by the League for Social Service ; (5) a library of the publications of state labor bureaus, loaned by Hon. Carroll D. Wright ; (6) a set of 100 large maps of the United States, showing the location of industries and industrial establishments in the United States ; (7) a collection of photographs, lantern slides, charts and publications showing the equipment of various industries in the United States, and the conditions of wage earners while at work.

Exhibits numbers 6 and 7, as indicated above, were prepared by Professor Edward D. Jones. In addition to these exhibits a series of monographs, carefully prepared by various authors, gives a review and description of the general economic conditions in the United States, and describes the more important social and economic movements of our country. — An edition of 2,000 copies of these monographs printed in English will be distributed.

In the attempt to represent the social-economic condition of our country the following means have been relied upon:

1. Photographs.—A very large number will be shown, thanks to the wing frame employed, which permits the showing of thirty-three cards in the wall space which one picture would occupy.

2. Charts.—Putting into graphic form selected statistics.

3. Lantern Slides.—Our space will have a stereopticon in operation during the day and evening, throwing a brilliant picture of small size upon a ground glass screen.

4. Maps of the United States, showing the physical conditions which influence industry, and showing in detail the location of industries. These will be mounted in two cases of new design, each holding forty maps.

5. Literature for Examination.—Books, reports, trade papers, etc.

6. Literature for Distribution.—The monographs written by experts and published at the expense of the government.

The latest revised list of International Congresses, dealing with some phase of the social sciences and held in the rooms on the second floor of the Social Economy building, is as follows:

June 25-30. Congrès des Accidents du travail et des Assurances sociales.

June 25-30. des Actuares.

July 30-Aug. 5. d'Assistance publique et de bienfaisance privée.

Aug. 5. des Aveugles (pour l'amélioration du sort).

July 23-28. de la propriété industrielle.

July 3. de la protection légale des travailleurs.

Oct. 9-12. du repos du dimanche.

July 15-17. des Sociétés co-opérative de consommation.

— des Sociétés de la Croix Rouge.

Aug. 6-11. de sociologie coloniale.

Aug. 6-8. des Sourds-Muets.

July 8. des Syndicats agricoles.

Aug. 20-25. du Tabac (contre l'abus).

Sept. 10-12. des Traditions populaires.

Sept. 10-13. des Tramways.

June 4-7. des Valeurs mobilières.

July 8-11. des Voyageurs et représentants de commerce.

July 18-22. de l'Alliance co-opérative internationale.

July 11-13. des Associations ouvrières de production.

July 23-28. du Commerce et de l'Industrie.

July 8-10. du Crédit populaire.

July 31-Aug. 4. de Droit comparé.

July 19-21. des Ecoles supérieures de commerce (des Associations des anciens élèves).

Sept. 6-9. de l'Éducation sociale.

July 30-Aug. 3. de l'Enseignement des Sciences sociales.

Aug. 6-11. de l'Enseignement technique, commercial et industriel.

Aug. 26-Sept. 1. Ethnographiques (des sciences).

Sept. 5-8. des Femmes (de la condition et des droits).

Aug. 27-31. de Géographie économique et commerciale.

June 18-21. des Habitations à bon marché.

July 23. d'Histoire comparée.

Aug. 10-17. d'Hygiène.

Aug. 4-12. de la Marine marchande.

June 7-10. de la Mutualité.

June 18-23. des Oeuvres et institutions féminines.

Sept. 29-Oct. 6. de la Paix.

July 15-18. de la Participation aux benefices

July 9-12. du Patronage des libérés.

July 11-13. du Patronage de la jeunesse ouvrière.

**Criminal Statistics in Denmark, 1891-96.**<sup>1</sup>—According to a governmental publication regarding the administration of criminal justice in Denmark (1891-96), (*Nationalökonomisk Tidsskrift, 1ste Hefte 1900*,) it is stated that the number of cases prosecuted was 3,881 (3,018 men and 863 women). Persons fined in police court were 44,700 in number (20,700 in Copenhagen), against 25,700 ten years earlier, and 12,200 twenty years before. The annual average of condemned criminals over ten years of age was, during the period 1891-96, 6,374 men and 124.9 women per 100,000 population; 785.3 men and 372.2 women per 100,000 in Copenhagen.

Most of the crimes were connected with property; for murder and assault 283 men and 9 women were condemned; for infanticide, 4 men and 27 women. A table, arranging criminals under age categories, shows a heavy preponderance of crime between the ages of 15 and 30. The greatest number of criminals, taking all Denmark, fall between the ages of 20 to 25 in both sexes; the next most criminal period is between 15 and 20. Taking Copenhagen, however, the period 15-20 shows the most criminals, after which the decline is steady; it is noteworthy that female criminals in Copenhagen are 20 per 100,000 population during the ages of 10-15, whereas between the ages of 15-20 this figure rises to 1064.3 per 100,000. In the whole country this rise is from 19.8 to 263.4 under like ages. The inference is clear.

Modes of punishment are illustrated by the following table:

Execution . . . . .	0.03 per cent.
House of Correction . . . . .	15.39 "
Imprisonment . . . . .	69.53 "
Forced labor . . . . .	2.97 "
Corporal punishment . . . . .	8.93 "
Various punishments . . . . .	3.15 "

Execution was resorted to in 8 cases (3 men and 5 women) during 1891-96. The three cases of the men were flagrant. The 5 women were executed for infanticide. Three of them murdered children born out of wedlock, and two were servants who killed the children of their masters.

<sup>1</sup>Contributed by A. G. Keller, Ph. D., of Yale University.

**The Protection of Danish Laborers.**<sup>1</sup>—In 1873 Denmark stood second only to England in liberal enactments for the protection of labor, while now she is the most backward of the European industrial states and possesses the most antiquated regulations. Few and unimportant laws have been passed since 1873.<sup>2</sup>

(1) "With reference to the industrial activities covered by protective measures at the present time, we come decidedly last in the list of European countries. (2) With reference to the minimum age for child labor in industries, we stand quite alone with our age limit of ten years. Excepting Italy, where physical development is attained much earlier in life, no other industrial country of Europe recognizes a lower age limit than that of twelve years. (3) With reference to the extension of protection to adults, we stand quite alone with our rule that health regulations do not independently apply to grown persons, just as our land is the only country—excepting Sweden—which in no way assures grown women an especial protection.

A bill now under discussion proposes to mend matters in all of these particulars. All industries which use mechanical power or employ over five hands, are required to take measures of protection. The regulated industries will thus increase in number from 2,900 to 7,200; protected laborers from 64,000 to 114,000; 27,000 industries employing 62,000 laborers remain unregulated.<sup>3</sup> This change is important in comparison with existing conditions, but is not very radical when viewed in the light of the regulations of other European states. Denmark merely advances from the last to one of the last places.

Regarding children's labor, the age limit is to be raised from ten to fourteen years, the half-time school system being discontinued; school attendance and labor are separated. This would affect about 4,000 children. At first sight such a law seems quite radical, but when it is examined in the light of school-laws, it is seen that the principle is a common one. The limit is set where the common limit of education is placed; it is the school-law, not the proposed bill, that is radical.

Protection for adults, in general, is confined to detailed application along the lines of general legislation in 1873; the innovation consists in placing control in the hands of factory inspectors instead of health officers, and in the fact that health regulations apply to adults whether or not they labor together with minors.

The bill also seeks to introduce, for the first time, a special protection for women, this clause treating particularly of work on Sun-

<sup>1</sup>Contributed by A. G. Keller, Ph. D., of Yale University.

<sup>2</sup>Frantz Pio; paper read before the Association of Political Economists, February 1, 1900. *Nationalökonomisk Tidskrift*, 2det Hef., 1900.

<sup>3</sup>Industrial census of 1897; the figures are approximate.

days and at night, and during the period including the birth of a child. A ten-hour day is insisted upon, and thus grown women are placed in almost the same category with minors. The former laws forbade all labor on Sunday; now it is forbidden only for the especially protected, *i. e.*, women and the young. This latter proposition seems to apply only to the industries now to be brought under the system of protection; hence a mixed condition, without parallel in any other country, where Sunday labor is forbidden to men and women in some industries and only to women in others. The ten-hour enactment would affect about 16-17,000 women over eighteen years of age. The general maximum for female labor in other countries is eleven hours.

The author anticipates considerable opposition to this bill, especially upon the last named point.

**The Statistics of Foreign Missions:**—At the recent Ecumenical Conference on Foreign Missions held in New York City an inter-denominational committee, of which Rev. James S. Dennis, D. D., the well-known author of an encyclopedic work on "Christian Missions and Social Progress," is chairman, prepared a report on Centennial Statistics of Missionary Activity in Foreign Lands. The complete report will be printed in a forthcoming volume of the Conference Reports. The paper,<sup>1</sup> printed for the use of the conference, contains twenty-seven pages and gives some description of the plan pursued by the committee and some interesting summaries showing the magnitude of missionary undertaking which will interest social workers in all fields. The relative strength of different departments of foreign missionary work is the point of most general interest and unfortunately the point where least reliance can be placed in the statistics as given in the Preliminary Report of the committee. The task of the Committee is a most difficult one and it has done good pioneer work in pointing out the obstacles to successful statistics of missions. Yet it is safe to say that the results obtained do no more than indicate in a very general way the great magnitude of foreign missionary effort.

In the first place it is impossible to learn from the tables in the Preliminary Report or from the accompanying notes whether the figures are for a single year or for a period of years; if the reader is familiar enough with mission work to surmise from certain figures that the returns must be for a single year, he is still uncertain for which calendar year and whether all the figures relate to the same period of time. This is a serious defect which might have been easily

<sup>1</sup> To be had from Rev. James S. Dennis, D. D., 39, Lexington Ave., New York City.

remedied by a few words of explanation. As a matter of fact the committee desired to give a statistical survey of missionary activity for a single year and that as near the end of the century as possible so that the result would show the status of mission work at the close of the nineteenth century. On this point Dr. Dennis has very kindly furnished the following explanation in reply to a letter of inquiry on the subject:

"The statistics in the paper for the Ecumenical Conference represent for the most part the returns for 1898. In some instances they are for 1897, and perhaps in a very few, where no later returns were available, those for 1896 have been inserted. I should judge, however, that four-fifths of the entries were for the official year of the society, ending in some instances December 31, 1898, and in others in the spring of 1899. It is impossible to present an absolutely synchronous statement of missionary returns, as the official years of the societies do not coincide, and there are always a few societies that, owing to infrequency of published reports, or inaccessibility, cannot stand in the same line with the great majority of missionary organizations in a statistical list. The above remarks apply especially to the statistical summaries of pages 15, 16, 17, and also to the special returns for various departments of missionary activity given on pages 19-27. In the case of individual institutions, educational, literary, medical, philanthropic and cultural, the latest available returns have been given, but in a few instances they go back from two to five years, as I had to choose between leaving the statistics blank or giving the latest that I could find. I think the statistical exhibit as a whole may be fairly described as representing the most recent available returns, in the main those of the year 1898. I hope before the publication of the statistical volume next fall to insert the statistics of a year later in the case of many societies, so that the tables when published will stand as a representation of the statistical exhibit of foreign missions at the close of the nineteenth century."

Among the more important explanations, given in the Preliminary Report, which are necessary to understand the statistical summaries, are the following:

"1. What is the scope of foreign missions? The expression 'foreign missions' is understood to apply to any more or less organized effort to lead the natives of unevangelized lands to the acceptance of a pure and saving form of Christian truth, and to lift their daily living into conformity with it. The scene of this missionary activity should be outside the land in which it originates, or, if it originates in so-called foreign lands, it should represent the efforts of foreign residents, or of already Christianized native churches, moved by the missionary

impulse to extend the gospel of Christ among unevangelized peoples. There may be a great variety in method, and a decided preference as to the instrumental agency employed, but only one governing purpose.

"This definition, it will be observed, excludes all mission effort in the home land where the society is located. Work among the Indians or the European and Asiatic immigrants of the United States and Canada should not, therefore, be reckoned among the foreign missionary operations of the societies of those countries; yet if efforts are made by such societies among the Indians of South America, the mission can be classified as foreign, since it is so both geographically and because it is conducted among a pagan people. On the other hand, religious aid and missionary service rendered by British and Continental societies to foreign residents in the colonies cannot be classed as foreign missions, however distant may be the scene of operations from the home land. Work among the Protestant peoples of Europe by British or American societies should not, for similar reasons, be regarded as foreign missions. Geographically it may belong to foreign rather than home missions, but it is simply in the line of co-operation on the part of British and American Christians with the agencies of Christian evangelism already active under the direction of local churches in the Protestant nations of Europe.

"As regards Papal Europe, the question is more difficult. It may be said that inasmuch as evangelical missions conducted by societies of Great Britain and the United States among Oriental Christian Churches in Western Asia and Egypt, and among Roman Catholics in Mexico, Central and South America, are counted as foreign by almost common consent, therefore evangelical missions among the Roman Catholic or Greek Orthodox peoples of Europe should be so considered. This would introduce the McAll Mission, and numerous other societies organized to conduct evangelical work in France, Belgium, Spain, Italy, Austria, and elsewhere, into the list of recognized foreign missionary agencies. The point is not important except for purposes of classification. Such missions lose nothing of dignity or usefulness if classed by themselves under the caption of Evangelical Missions to Papal Europe. This seems to be far the more appropriate designation, leaving the term 'foreign missions' to be used in its ordinary and commonly interpreted sense, as referring to countries outside the bounds of Christendom. A possible, though confessedly arbitrary exception might be made in favor of those foreign missionary societies which conduct work in Papal Europe as a long-established feature of their operations. In our own country this would apply, among others, to the American Board, the Baptist Missionary Union, and the Methodist Episcopal Society.



"2. What is a foreign missionary society? is another essential point to be considered. No difficulty arises concerning agencies organized exclusively to do the work of foreign missions as outlined in the previous paragraphs—administering funds given for such a purpose, sending out missionaries, initiating and conducting missionary operations, founding churches and institutions, and otherwise fulfilling the varied aims of mission effort. Nor does it occasion any embarrassment if home and foreign missions are both included under one administration, in case separate accounts are kept and distinctive data can be given. There are, however, certain societies, agencies, and institutions whose service to foreign missions is undoubted, and yet so partial, specialized, indirect, or merely co-operative, that the question arises at once whether they may properly be placed in the list of distinctively foreign missionary societies.

"The Bible Societies, the Tract and Literature Societies, the United Society of Christian Endeavor, the Epworth Leagues, the Student Volunteer Movement, the International Committees of the Young Men's Christian Association and the Young Women's Christian Association, medical and educational organizations, brotherhoods and others, societies for work among seamen and among Jews, philanthropic specialties like that of the Pundita Ramabai in India, and numerous efforts on behalf of famine victims, orphans, and others, with a considerable number of organizations, foreign missionary in title and purpose, but simply rendering financial or other aid to existing societies—these varied and valuable activities for the extension of the Kingdom of Christ throughout the world demand recognition, and yet should they be counted as strictly and technically foreign missionary societies? Two courses are open: either we may use the expression 'foreign missionary society' in an all-inclusive and elastic sense, or we may differentiate and classify, giving to different organizations a place in separate lists, expressive of their various, direct, indirect, or co-operative relationships to the foreign missionary enterprise. We have chosen for our present purpose the latter alternative, naming three classes of societies, as follows:

"*Class 1.* Societies directly engaged in conducting foreign missions.

"*Class 2.* Societies indirectly co-operating or aiding in foreign missions.

"*Class 3.* Societies or institutions independently engaged in specialized effort in various departments of foreign missions."

It should be noted, therefore, that the following summaries relate only to Protestant missions of the so-called evangelical type. Of course the complete tables show clearly just what churches and religious bodies are included. We should therefore have to add the results

of Roman Catholic missions and those of several other religious organizations to get at the magnitude of American Christian Foreign Missions, and make still further additions to get at the amount of missionary activity carried on in the name and prompted by the impulse of religion. Notwithstanding the limitations of the figures presented by the Conference Committee of the Ecumenical Congress, they point to a social fact of such magnitude and to the direction that so large a fund of our social activity takes that they cannot fail to interest many and stimulate efforts to get more complete data. We reproduce the more important summaries as follows :

### STATISTICAL SUMMARY OF FOREIGN MISSIONS THROUGHOUT THE WORLD.

#### EVANGELISTIC.

*Statistics of the Income, Staff, and Evangelistic Returns of Missionary Societies.*

#### COMBINED TOTALS OF CLASSES I, II AND III.

	NATIONAL OR CONTINENTAL DIVISIONS.			
	Class I.	Class II.	Class III.	Totals.
Number of societies . . . . .	249	98	102	449 <sup>1</sup>
Income from home and foreign sources . . . . .	\$17,161,092	\$1,227,731	\$737,297	\$19,126,120 <sup>2</sup>
FOREIGN MISSIONARIES.				
Ordained missionaries . . . . .	4,953	74	36	5,063
Physicians—Men . . . . .	421	11	52	484
Women . . . . .	203	.....	15	218
Lay missionaries not physicians (men) . . . . .	1,244	69	157	1,470
Married women not physicians . . . . .	3,450	54	63	3,567
Unmarried women not physicians . . . . .	3,119	85	199	3,403
Total of foreign missionaries . . . . .	13,607	1,255	598	15,460
NATIVE HELPERS.				
Ordained natives . . . . .	4,029	9	15	4,053
Unordained natives—preachers, teachers, Bible-women and other helpers . . . . .	69,300	3,207	492	72,999
Total of ordained and unordained native helpers . . . . .	73,615	3,216	507	77,338
STATIONS.				
Principal stations . . . . .	5,233	145	193	5,571
All other substations . . . . .	25,586	541	120	26,247
CHURCHES.				
Organized churches . . . . .	10,993	17	29	11,039
Total number of communicants . . . . .	1,289,298	25,561	2,825	1,317,684
Additions during the last year . . . . .	83,895	37	254	84,186
SUNDAY-SCHOOLS.				
Sunday-schools . . . . .	14,940	14	78	15,032
Total Sunday-school membership . . . . .	764,684	1,150	6,094	771,928
CONTRIBUTIONS.				
Total of native contributions . . . . .	\$1,833,981	\$1,225	\$6,551	\$1,841,757
NATIVE CHRISTIANS.				
Total of native Christian community, including, besides communicants, non-communicants of all ages . . . . .	4,327,283	76,328	10,625	4,414,236

## WOMEN'S SOCIETIES.

(Special Summaries representing Woman's Share in the World Totals given above.)

	NATIONAL OR CONTINENTAL DIVISIONS.			
	Class I.	Class II.	Class III.	Totals.
Number of societies . . . . .	95	5	20	120
Income from home and foreign sources . . . . .	\$2,361,181	\$12,289	\$126,647	\$2,500,117
FOREIGN MISSIONARIES.				
Ordained missionaries . . . . .	48		1	49
Physicians—Men . . . . .	6		8	14
Women . . . . .	138		5	143
Lay missionaries not physicians (men) . . . . .	9		1	10
Married women not physicians . . . . .	355		2	357
Unmarried women not physicians . . . . .	1,490	9	130	1,629
Total of foreign missionaries . . . . .	2,092	9	150	2,251
NATIVE HELPERS.				
Ordained natives . . . . .	25		1	26
Unordained natives—preachers, teachers, Bible-women and other helpers . . . . .	4,736	7	35	4,778
Total of ordained and unordained native helpers . . . . .	4,761	7	36	4,804
STATIONS.				
Principal stations . . . . .	637		23	660
All other substations . . . . .	872			872
Remaining statistics cannot be separated from the general totals.				

1 If the number of women's auxiliary societies (68), not included in the total (449) of societies given above under Classes I, II, III, be added to that number, the grand total of all the missionary societies of the world, both independent and auxiliary, will reach 537, but all other data in the "Combined Totals of Classes I, II, and III," remain as given above.

2 In reducing the income of European societies to United States currency, the English pound sterling has been estimated at \$4.90, the Danish, Norwegian, and Swedish crown at 26 cents, the Dutch florin at 40 cents, the German mark at 24 cents, the Finnish mark at 19 cents, and the French franc at 20 cents. Indian rupees have been reckoned at three to the dollar.

## EDUCATIONAL

*Statistics of Elementary, Academic, Medical, and Industrial Instruction.*

	Number	Students	Instructors	Total.
Universities and Colleges . . . . .	93	33,439	2,275	35,414
Theological and Training Schools . . . . .	35 <sup>b</sup>	8,347	3,55 <sup>b</sup>	11,905
Boarding and High Schools and Seminaries . . . . .	857	48,851	34,297	83,148
Industrial Training Institutions and Classes . . . . .	167	6,892	2,486	9,378
Medical and Nurses' Schools and Classes . . . . .	63	370	219	589
Kindergartens . . . . .	127	2,251 <sup>1</sup>	2,251 <sup>1</sup>	4,502
Elementary or Village Day Schools . . . . .	18,742	616,722	287,720	904,442
Totals . . . . .	20,407	716,572	332,806	1,049,378

<sup>1</sup> In the absence of definite information in the returns as to the sex of pupils in kindergartens, it has been estimated that about one-half are boys.

## MEDICAL.

*Statistics of Hospitals, Dispensaries, and Patients  
Treated Annually.*

## I. HOSPITALS AND DISPENSARIES.

Location.	Number of Hospitals.	Number of Dis- pensaries.	Hospital In- patients.	Total of Individual Patients.	Total Number of Treat- ments.
Africa . . . . .	40	103	4,969	177,794	441,239
Alaska . . . . .	3	4	191	8,558	25,676
Arabia . . . . .	1	4	849	21,013	52,296
Burma . . . . .	7	9	246	1,817	3,243
Canada and Labrador . . . . .	9	8	393	9,324	15,636
Ceylon . . . . .	4	10	33,529	745,322	1,700,452
China . . . . .	124	240	632	4,948	17,524
Formosa . . . . .	2	3	22,902	877,704	2,356,731
India . . . . .	106	250	701	27,098	66,763
Japan . . . . .	7	16	1,383	35,291	70,259
Korea . . . . .	9	13	329	19,349	53,000
Madagascar . . . . .	3	9	395	6,307	34,476
Malaysia . . . . .	2	5	6,338	15,693	2,885
Mexico . . . . .	1	4	97	87,056	223,281
Oceania . . . . .	1	2	3,766	42,280	101,017
Palestine . . . . .	10	20	231	14,654	26,975
Persia . . . . .	5	13	997	2,794	4,041
Siam and Laos . . . . .	5	9	1,167	32,932	91,812
South America . . . . .	3	5	1,033	36,864	80,993
Syria . . . . .	6	16			
Turkey . . . . .	7	10			
Proportionate esti- mate for 66 hospitals and 147 dispensaries not reporting <sup>1</sup> . . . . .	355	753	73,741	2,158,349	5,383,934
			19,964	421,302	1,263,906
Totals . . . . .	355	753	93,705	2,579,651	6,647,840

<sup>1</sup> The following Hospitals and Dispensaries included in the 355 and 753 mentioned above failed to report statistics:

	Hospitals.	Dispensaries.
Africa . . . . .	25	46
Alaska . . . . .	2	4
Burma . . . . .	2	1
Canada and Labrador . . . . .	6	7
Ceylon . . . . .	2	4
China . . . . .	20	31
Formosa . . . . .	1	1
India . . . . .	23	29
Japan . . . . .	2	6
Korea . . . . .	3	2
Madagascar . . . . .		3
Malaysia . . . . .	1	2
Mexico . . . . .	1	
Oceania . . . . .		1
Palestine . . . . .	1	2
Persia . . . . .	1	
Siam and Laos . . . . .	1	2
South America . . . . .	2	3
Syria . . . . .	1	3
Turkey . . . . .	2	
Totals . . . . .	96	147

**The Legal Status of Labor Organizations.**—An important event in the labor world has been the recent opinion of Judge Truax in the Appellate Division of the New York Supreme Court, in dissolving an injunction which had been secured by the National Protective Association of Steam Fitters restraining the Enterprise Association of Steam Fitters and other organizations from interfering with members of the first mentioned organization in securing and retaining work. The court said that every workman has the unquestioned right to say for whom and with whom he will work, and that the employer has a similar right to say whom he will employ. The right, if it exists at all, is reciprocal, and if it is once destroyed, personal liberty is destroyed also. The implication of this principle is declared to be that neither employer nor employed, if possessed of this right of free action and free choice in their individual capacities, can lose it when acting with others clothed with an equal right. Employers may therefore refuse to employ members of labor organizations, and laborers, on their part, decline to work for employers who engage non-union men. As between two labor organizations, the opinion continued, it was entirely competent for one to secure the discharge of members of the other, in order to obtain places for its own members. The court did not follow out this line of reasoning to its logical end, and by judicial opinion confirm the legality of the black list. Such, however, is the plain implication of its statement that employers may refuse to employ men either as individuals or as members of a labor organization. Labor circles are not a little agitated over this decision, which, although enlarging the field of privilege for the unions, is, in their opinion, fraught with the most sinister significance in its enunciation of similar rights as belonging to the employer. If the rule of logic is to guide the decisions of our courts, we may expect to see the trade union dissolved as being a combination in restraint of trade, and as such plainly offending against the letter and spirit of anti-monopoly legislation. It is not at all certain that the unions whose restrictions as to membership and conditions of employment are burdensome and offensive not only to the majority of outside workers but also to many of their own members, would be able without substantial modification of their regulations in the direction of greater liberality, to secure sufficient popular support, to resist successfully such a direct attack by the judiciary upon their right to exist in their present form.

**National Supremacy and the Tendency to Consolidation in the Iron and Steel Industry.**—An interesting development in the steel industry has been the increasing vogue of open-hearth steel, which bids fair to surpass the Bessemer product in the world's produc-

tion. In general, Bessemer steel is preferred for rails, wire, hoops, bars and sheets, where rigidity instead of tensile strength is the quality sought for. Open-hearth steel, on the other hand, is chiefly desired for its greater tensile strength and more uniform quality, and is therefore in demand for ship building. Until recently, although open-hearth steel was produced in large amounts in Great Britain, the process was little used in the United States, as compared with the Bessemer process, the reason being the abundance of Bessemer ores in this country, and the greater cost of the acid open-hearth process, which could not extract the impurities from low-grade ore. The introduction of the basic process into open-hearth working, however, is rapidly changing these conditions. This enables the use of scrap and of pig iron of a poorer grade than is possible in the basic process, in which the excess of phosphorus passes into the slag.

The steel made by the open-hearth process, as just remarked, is more uniform in quality than Bessemer steel, to which indeed, for many purposes, on account of its lack of uniformity in texture, wrought iron is preferred. The deposits of low grade ore, especially in the South, are of immense extent, while the day of diminishing returns in the Bessemer mines of the Superior district is already in sight. For this reason the basic open-hearth process has, in recent years, made remarkable progress in the United States. The *Iron Age* remarks of the situation as follows: "It now stands so high in favor that new open-hearth plants are numerous and important additions are being made to old ones. The only addition to Bessemer capacity in a long time is the plant of the Republic Iron and Steel Company, at Youngstown, Ohio, now approaching completion, and even that is not strictly a new plant, but rather the re-location of an old works. The great demand for steel in the past year, which led to much activity in the erection of open-hearth furnaces, could not restore vitality to quite a number of Bessemer works which had been laid off during the previous depression." The decreasing demand for steel rails is doubtless an important factor in the substitution of the open-hearth process.

This remarkable change in the methods of the steel industry may result in certain readjustments of location and advantage which have not been generally noted. The field for the open-hearth process lies in the South where coal, lime and low grade ore can be more cheaply assembled than at Pittsburg or the lake ports. It will be nothing strange if Birmingham shall in time wrest the supremacy from the northern iron centres. Our international advantage in the iron trade is also lessened by this fact. Spain and Sweden are being rapidly depleted of their Bessemer ores, but the deposits of low grade ores are very

large, abundantly ample to meet all demands for a long time to come. Moreover, Great Britain and the continental producers of steel who have been forced to import the Bessemer ores in increasing amounts, are well supplied with ores suitable for the basic open-hearth process. It would appear that the advantage of the United States in the iron and steel industry, although important, is not likely to increase as fast as was expected, and that the superiority which will be enjoyed by this country will depend rather upon our cheap coal than upon our supplies of iron ore.

The ore association has fixed the price of Lake Superior ore for this year's delivery at \$5.50 per ton, a fact which, in the judgment of men prominent in the iron and steel trade, will make it difficult to lower prices of iron and steel products much below the present level. On the present prices of ore, coke and labor, and the present level of railway rates, pig iron cannot be produced for less than \$15 at many of the furnaces. No substantial reductions in any of these contributory prices are looked for. It is probably true that the price of pig iron is lower in proportion to the cost of production than it was two years ago. In 1898 the ore association made the mistake of fixing the price of ore only twenty-five cents above the low level of 1898, a lower point than would have been warranted by the demand. Coke also ruled at a low price during 1898 and a part of 1899. Wages had not yet risen, the great rise in iron having taken place during 1898-99, after the annual adjustment of the scale with the amalgamated iron and steel association. These facts account for the great profits made in the iron and steel industry during that period. During the past year, however, readjustments in prices of labor and materials have been taking place, and the day of large profits, especially for those companies who must buy the raw material, is about over. This does not apply to some of the iron and steel combinations, especially the Federal Steel and the American Steel and Wire companies, who are large owners of ore and coal lands, and therefore, with the exception of their wage scale, in large measure exempt from the depressing influence of high prices of raw material. The Carnegie Company has long owned the sources of its raw material. Nothing is more likely to come about in the industrial world than a further consolidation of iron and steel interests in the direction of larger control of the raw material. Without this advantage, the benefits of the control of prices which the combinations have secured must be divided with the iron and coke companies. The only thing, apparently, which will interfere with such a consolidation is the fear of hostile legislation.

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FINANCIAL ASPECTS OF THE TRUST PROBLEM.

INTRODUCTION.

Before 1883, when the Standard Oil Trust was formally organized, manufacturing combinations were almost unknown, nor did they begin to attract much notice until after the organization of the American Sugar Refining Company, in 1887. Even then, in spite of the popular outcry against monopoly, and the anti-trust laws which were enacted by national and state legislatures, only twenty combinations of any importance were listed on the New York Stock Exchange up to 1893, when the panic brought the incipient movement toward consolidation to a sudden end. The real trust movement dates from 1898. Two years have sufficed to reorganize the manufacturing industries of the United States, in whole or in part, along lines of consolidation. The "United States Investor" gives a list of 565 combinations organized within the last two years, with a capitalization of more than seven billions of dollars.<sup>1</sup> During the first six months of 1899, one hundred and two consolida-

<sup>1</sup> "United States Investor." December 30, 1899.

tions with a capitalization of three billions, were organized and floated.<sup>1</sup> The universality and spontaneity of this movement raise the question of its origin and cause. It is proposed in this paper to examine the trust from the standpoint of speculation and investment.

The Trust movement began with the close of the industrial depression which followed the panic of 1893 and which, as a matter of origin, can be traced to the Baring panic of 1890. The steady fall of prices and the slow-moving liquidation of credit during this period had severely handled the manufacturers and traders of the United States. The aggregate liabilities of failures in manufacturing and trading from 1894 to 1898 exceeded seven hundred and fifty millions of dollars. Few business men made large profits. Almost everyone had his scale of earnings greatly reduced. Many of those who did not fail outright staggered under heavy burdens of debt, and falling prices, and saw their plants deteriorate for lack of the money to keep them in good repair. General business was dull and stagnant. New York clearings decreased eight billions of dollars from 1892 to 1895. The financial world was even more depressed. An index number made up from the prices of ten leading railroad stocks shows a decline from 1892 to 1896 of 31 per cent. Sales of stocks on the New York Exchange, during the same period, decreased thirty-one millions of shares. New issues of stock listed from 1894 to 1896, compared with the three years preceding, decreased one hundred and fifty-six millions of dollars. The surplus cash of the country flowed into the New York banks, and from 1893 to 1897, their surplus reserve available for loans seldom fell below twenty millions of dollars. The rate on call loans during the same time seldom rose above one per cent. But easy money was powerless to excite much speculation. The people were busy with debt-paying. They had realized the penalties of overconfidence and they were in no humor for risk-taking. In

<sup>1</sup>"Commercial and Financial Chronicle," vol. 69, p. 55.

the retrospect of 1895 the "Financial Review" remarked on the situation as follows: "The result of these hard times has been to make our own investors unusually cautious and to produce extreme wariness of American securities, on the part of foreign capital. Under such conditions it could not be expected that the listings of stocks and bonds representing *new* enterprises would be heavy." <sup>1</sup>

With the summer of 1897, recovery began. A large wheat crop, sold at good prices, increased the earnings of the grain-carrying railroads and stimulated investment in their securities. From 1896 to 1897, the earnings of the five "granger" roads running into Chicago increased \$14,677,000. The effect of increased earnings was soon felt in the stock market. During 1897, the prices of these granger stocks increased as follows; the first quotation being the lowest price in January and the second, the highest price realized during the year:

Atchison, Topeka and Santa Fe (preferred)	22 $\frac{7}{8}$ to 35 $\frac{1}{2}$
Chicago, Burlington and Quincy . . . . .	69 $\frac{3}{4}$ to 100 $\frac{7}{8}$
Chicago, Milwaukee and St. Paul . . . . .	72 $\frac{3}{4}$ to 102
Chicago and Northwestern . . . . .	102 $\frac{1}{4}$ to 132 $\frac{1}{2}$
Chicago, Rock Island and Pacific . . . . .	65 $\frac{7}{8}$ to 92 $\frac{1}{8}$

Other railroad stocks advanced in sympathy with the grangers, the increase being as much as twenty points in the case of several roads and reaching 29 $\frac{1}{2}$  in Northern Pacific preferred. Under the stimulus of higher prices the sales of stocks on the New York Exchange increased in one year twenty-two million shares. The buying, however, was as yet almost wholly confined to old securities. Large amounts of low priced reorganization securities were coming into the market, and the tempting bargains which these offered occupied the attention of investors, while the rapid rise in all railroad stocks furnished abundant opportunity for speculation.

The industrial revival gathered strength in 1898; another

<sup>1</sup> "Financial Review," 1890, p. 15.

large harvest and continued high prices increased granger earnings \$17,753,000 over the high figures of 1897 and their stocks continued to lift the entire market. Other industries increased their output. From 1897 to 1898 the production of pig iron increased 1,121,000 tons. Foreign trade was also favorable. During this year, exports of merchandise exceeded imports by six hundred and twenty-three millions of dollars, and an importation of \$141,000,000 of gold strengthened the basis of American credit. General business was stimulated by these favorable circumstances. From 1896 to 1898, New York clearings increased thirteen billions of dollars. The rapid improvement of business united with the successful result of the Spanish War to inspire in all classes the most sanguine optimism. The people believed that good times and high prices had come to stay. The first buying of stocks came from the investors, who were attracted by the larger earnings of railroads to transfer their capital to more promising investments. A speculative demand for these securities set in at the same time. Large amounts were bought to sell at an advance. The large profits which were rapidly realized attracted general notice and the demand for stocks became general. The stock market was the place where money was to be made. People of every class and condition caught the fever of speculation and were ready to buy. It was impossible to supply this demand for stocks from existing issues. Most of these were held for investment and only small quantities came into the market. The time was ripe for the promotion of new enterprises. New schemes were organized and their securities were readily sold.

This condition called the "promoter" to the front. It is the promoter who organizes new companies and places their prospects before the speculative and investing public. His organizing energy usually, although not of necessity, follows the line of largest immediate advantage to the community. Is there a demand for new industries, or new

combinations of industries?—the promoter recognizes this fact, organizes companies, and supplies the demand. Taking advantage of the most promising outlets for industrial activity, he capitalizes the new opportunities and markets the securities while the public is in the humor for buying shares. If we go back to the early years of our industrial history, we find him organizing banking and land companies. At a later period railroad schemes were put on the market. Public service corporations, mines, and street railways have each had their share of attention. Whenever an opportunity is presented for the exploitation of new resources, or new conditions, the promoter is on hand with his prospectuses and his propositions “to be submitted to the approval of the investing public.”

Railroads had furnished the bulk of the new securities since the Civil War, but in 1898 railroads were no longer available. The country had been well equipped with transportation facilities and few prospects for new mileage were put forward. From 1886 to 1889 28,545 miles of railroad were constructed, from 1896 to 1899 only 3,642 miles. From 1886 to 1889 \$1,421,800,000 of railroad securities were placed on the market. From 1896 to 1899, however, we have had an increase of only \$481,900,000 of railway stocks and bonds; most of them, moreover, being investment securities and selling at high prices. The former outlet for investment had been closed and a new one was now to be opened. This outlet was furnished by the organization of the industrials. Says the “Financial Review” of 1900 in its retrospect of 1899: “The extreme industrial activity engendered a feeling of great confidence, very propitious to the creation and multiplication of new industrial enterprises. Easy money in the early months, caused by a congestion of currency at this centre, materially aided the movement. The result was the formation and flotation of industrial undertakings of enormous magnitude and in unparalleled numbers. In every industry, in every line and branch of

trade, great consolidations and amalgamations were planned and in most cases carried into effect. It was the great opportunity of the promoter and he was not slow to avail himself of it. Seeing in any given trade a large number of separate businesses or manufactories, his effort was to merge them together in one large corporation, ensuring partial or complete control, and giving at least the appearance of monopoly."<sup>1</sup>

The financiering of these industrial combinations it is now proposed to examine. I shall discuss (1) the inducements offered by the promoter to the firm owners; (2) the process by which the separate plants are purchased; (3) the profits of the promoter; (4) trust securities and the stock market; (5) the reasons for the collapse of the common stock, and (6) the financial outlook for the new organizations.

I. The principal inducements offered by the promoter to the firm owner are (a) the economy of combination and (b) the bonus in cash or stock. I shall discuss these in the order of their importance.

(a) *The economics of combination.*—The great distances which separate the centres of population in the United States, and the high transportation cost of supplying distant markets, have brought about a grouping of the chief manufacturing industries near the principal markets upon which they depend. Especially does this come about where the product is heavy and bulky and of a low value in proportion to its weight. This applies to most of the raw materials and half-manufactured products—the lines of manufacture, that is to say, in which most of the new combinations have been formed. The location of supplies of raw material is also a determining factor in the grouping of industries. The best illustration of this principle of the dispersion of industry is offered by the location of the plants of the iron and steel industry.

The grouping of plants about particular centres is fa-

<sup>1</sup> *Financial Review*, 1900.



miliar. One group is located in New England, another in Eastern Pennsylvania, another in the Pittsburg-Cleveland district, a fourth about Chicago, a fifth about St. Louis and a sixth about Birmingham. Colorado and California have also developed iron and steel industries of some importance. In the Pittsburg-Cleveland, Chicago and Birmingham districts are to be found plants representative of the leading branches of the industry—blast furnaces, steel plants, rolling mills, wire and rod mills, bridge works, tin plate mills, and in general all the manufacturing industries which get their raw materials from the iron and steel industry. The subsidiary industries of the Pittsburg-Cleveland district are especially numerous, but it is only a question of a short time before Chicago and Birmingham will develop the branches in which they are now inferior to the East. Colorado is also rapidly developing a complete equipment for the manufacture of all kinds of iron and steel goods. Worcester, Philadelphia, St. Louis and San Francisco, on the other hand, buy their raw material in the form of pig-iron and steel billets from the centres where ore can be most profitably reduced and manufacture it into the finished form, gaining thereby an advantage in their local market over their competitors, who can indeed purchase their raw material more cheaply, but are handicapped by the higher charges on more highly finished products. Other industries follow in their location the same principle. The points of largest advantage are those which lie nearest the desired market, and the industrial centres are, therefore, widely separated one from the other. If supplies of raw material are also easily available, such a location becomes of pre-eminent value. Proximity to the market, however, other things being equal, is, in most cases, the deciding factor in the location of manufacturing plants. We see this illustrated in the western movement of the boot and shoe industry, which brings the manufacturer nearer his western market, and at the same time closer to his raw materials. We

see it also in the location of the sugar refining industry, which, though drawing its chief supply from abroad, has distributed its plants along the Atlantic seaboard, as near as possible to the various markets, and has also located plants at New Orleans, St. Louis, and San Francisco in order to get as close as possible to the market and to reduce to the lowest point the charges of transportation. We have then a division of the country into industrial centres, or groups of plants which correspond to centres of population and supplies of raw material.

Within each industrial centre is usually found more than one plant representative of each industry; and between these rivals there springs up an intense competition which, unless previously settled by some combination agreement, results in the victory of the strongest and best equipped. The losers in the contest are either crowded out altogether, or take up with some patented specialty. This rule applies particularly to industries like that of iron and steel production where large capitalization means cheap production. In the textile industries, where large capital is not so important, the process of consolidation is longer delayed, although even here a few large plants in every district are coming to monopolize the field, and it is only a question of time before these plants will decrease in number and increase in size by extermination of the weaker or by consolidation.

In the iron and steel industry, however, where more trusts have been organized than in any other—this movement toward consolidation has gone rapidly forward, and has already resulted in the concentration of production in the hands of a few large firms or corporations with a fair prospect that the weaker of these must either effect a combination with the stronger competitors or be exterminated. There are steel plants at Youngstown, Cleveland and Wheeling which have managed to thrive and grow in the immediate neighborhood of the Carnegie Works at Pittsburg. This development of outside plants has been largely by sufferance of the Carnegie

Company, which has had all the business it could handle without making a fight for the trade of its neighbors. It is only a question of time, however, before the Carnegie Company, owning its own mines, boats, railroads and coal fields, and equipped with the finest plant in the world, will come into conflict with its neighbors, and unless they can gain similar advantages, which is not likely, or unless they can effect some combination with the Carnegie Company, will drive them entirely out of the lines which it wishes to control. The outcome of this competition within industrial centres is the survival of a few strong firms, possibly it is not extravagant to say, of one strong firm in each branch of industry. It is of course conceivable that the process of concentration should go so far as to locate the steel industry of the entire country at Pittsburg, and to concentrate other lines of production in the same way, each at the point most favorably situated, but present indications and past experience do not point to this result. There is a limit to the economical increase of capitalization within a single plant, a limit reached long before the capacity of supplying the entire market is attained, and there is also the factor of transportation charges, which becomes more important as all plants are tending to greater equality of advantage, and which every improvement in transportation, discriminating as it does against the more valuable finished product and in favor of the more bulky raw material, only serves to emphasize. It seems likely that the dispersion of all manufacturing industries according to the location of markets is the ultimate goal of industrial development. The manufacture of tobacco, of meat products and of cotton goods has followed the lead of the iron and steel industry, and has been rapidly dispersed over new markets within recent years. There is little reason to expect a reversal of the process in the case of those industries whose location already conforms to widely sundered markets.

Within each group, therefore, when local competition is

eliminated, there tends to be a qualified monopoly, checked and controlled, however, by the competition of other centres. In the iron and steel industry Colorado and Birmingham are so far distant from competing centres of industry that the restraints of inter-group competition are not much felt ; but all other centres are near enough to each other to be influenced by the prices of the nearest competitors. Given equal equipment and facilities for production, each centre will control the prices in its immediate market, providing that it does not raise them to such a point as to more than equal the differential advantage which its location gives. This, however, is an important restriction, and so long as competition between centres prevails, serves to hold prices the country over to a competition level. The monopoly power of location is tempered by inequalities of advantage—the Carnegie Company, for example, influencing the entire country—and shades off toward neutral territory until at all points economically equidistant from each other, perfect competition prevails. Free competition, therefore, if allowed to work out to its ultimate conclusion, results in control of particular markets by particular firms for the larger part of the sales made in that market, and in a near approach to competitive prices in all markets where outside selling is to be feared by local producers.

This competition, whatever the public may think of it, is irksome to manufacturers. They are subject almost everywhere to a double inconvenience. They are fighting the local battle to its finish, often with much loss and trouble to all concerned, and even when this process of local centralization is accomplished, the control of the local market to which the successful have looked forward is restricted by the fear of outside competition to follow any attempt to raise prices more than a little above the competitive level. Moreover, they are driven on by fear of their competitors to make large expenditures upon betterments, to keep their plants up to the very highest standard of efficiency, and to

enlarge their capacity and lower their prices in order to control the market which is always slipping from their grasp. This policy of rapid improvement and large capital expenditure is no doubt for the advantage of the manufacturer under the given conditions and it results in remarkable improvements and discoveries from which the public gains an advantage in lower prices. But whatever its social effects, the manufacturer is not satisfied with its financial results. Such a policy is very hard on dividends. A high rate of dividend is practically impossible, and the payment of any dividend is dependent on the accumulation of a heavy surplus investment. Especially is the lot of the competitive manufacturers hard in times of depression. Then their only safe course is to improve and construct, to put practically all their earnings into betterments, and to trust to improving business to pay them. From 1892 to 1898 the Illinois Steel Company paid only one dividend while it nearly doubled the capacity of its plants. A moderate success under these circumstances is only to be attained by constant watchfulness and strenuous endeavor. It is true that success has been achieved in spite of competition. The constituent companies of the American Tin Plate Company, according to Mr. Griffiths' testimony before the Industrial Commission, made 20 per cent the year before consolidation. The prospectus of the National Tube Company stated that the annual net savings of the constituent companies was between two and three millions from 1893 to 1896. The American Window Glass Company reported individual earnings during 1898 of \$2,483,344, American Woolens \$1,750,000 during 1898, and American Smelting and Refining \$1,890,000 during the same year. Similar claims are made by every trust prospectus, and although some of them may be exaggerated for stock market purposes, still, since these figures are average earnings and represent the losses of the weak concerns who are barely above the surface, as well as the larger gains of the strong and prosperous, the

existence of some margin of profit for the stronger firms, even under competitive conditions, and in periods of depression, seems to be pretty clearly demonstrated. But this margin is hardly attained. It is desirable from the manufacturers' standpoint to stop this worrisome struggle, whose benefits are nearly all of them gained by the consumer in low prices. The manufacturers are tired of working for the public. They want a larger profit without such a desperate struggle to get it. This applies to the larger firms, the "money makers," as the American Glass Company's prospectus affectionately styles them. Of course, for the weaker concerns, competition is really disastrous. If they do not find some specialty, competition will eventually drive them out of business.

Many attempts had already been made before 1898 to remedy this troublesome state of affairs. Pools, selling associations and agreements of various kinds had been formed and re-formed. But, based as they were upon free consent, such arrangements were temporary. The collapse of the steel rail pools was expected at regular intervals, and large buyers were accustomed to wait for the break to make their purchases. The "Trust" movement during the eighties promised a more stable regulation.<sup>1</sup> In this form of organization, agreement between manufacturers was secured by depositing individual stocks with trustees, in exchange for trust certificates. These trustees managed the entire business for the benefit of the holders of the certificates. But public opinion and legislative enactment nipped this promising movement in the bud, and manufacturing industry fell back into the wholesome but excruciating struggle of competition. Some attempt had been made after the downfall of the Trust movement to unite competitors under a single company. American Sugar Refining, Ameri-

<sup>1</sup> It is unfortunate that the term Trust should have been applied to the recently-formed combinations, since it does not describe them, but refers to a defunct form of corporate organization. Popular usage, however, compels an adherence to the misnomer, and the reader can only be warned against a misunderstanding.

can Tobacco, United States Cotton Oil, General Electric, and a few other consolidations had been formed before the panic of 1893, and the success achieved by some of them (the Consolidated Steel and Wire Company, for example, according to Mr. Gates, having earned, from 1895 to 1898, 27 and 28 per cent) served to keep the ideal of consolidation in mind until a more convenient season.

The advantages of combination had come to be generally recognized, not only by manufacturers but by the public at large. Whatever the popular opinion of monopoly, the gains of monopoly, exemplified by the oil, sugar and tobacco combinations, were known to be enormous. Officials of these companies might ascribe the large profits to the economies of large production, but the people at large were inclined to attribute them rather to the control of the market which the combination afforded. "Overproduction," the "wastes of competition," and such like explanations of the industrial depression united to emphasize the advantages of consolidation and monopoly. Here then was the promoter's opportunity. On the one hand, the manufacturer was weary of competition and anxious to combine. On the other hand, the public was profoundly impressed with the large profits of monopoly, and eager to share in those profits if opportunity were given, while at the same time railroads had largely withdrawn from the stock market and a speculative demand for new stocks was gathering force and headway. A more promising opportunity to sell stocks had never before been offered to the bold and energetic pioneers of industrial progress, and they hastened to take advantage of an opening so fortunate. In 1898 and 1899, the convenient season for consolidation had arrived, and the promoter came forward with his scheme.

He proposed to the manufacturers that he would organize a company and purchase their plants outright with its stock. Instead of fifty firms, all more or less embroiled with one another, he proposed to substitute one gigantic corporation,

which should take in every plant of importance and make competition impossible. There was to be but one corporation in each industry, one wire company, one glass company, one bicycle company, one company manufacturing tin plate. By selling their plants to the new company and taking its stock in exchange, individual firm owners could either retain an interest in the business, or they could sell their stock and free their capital for other uses. His chief inducement was the prospect of monopoly control by the elimination of competition. Abundant evidence that the desire to escape the burdens of competition was the main incentive to the formation of the trusts, and that those evils, moreover, were the low prices prevailing is to be found in prospectuses and in the evidence before the Industrial Commission. The claim of the National Glass Company has been already referred to. It was to take in "every money-maker in the tableware trade of the country."<sup>1</sup> The American Window Glass Company, in its prospectus, also evidences the chief motive to consolidation. "The advantages of consolidation are shown by the increase of profits in 1898 and 1899, while the small profit shown for 1896 is partly due to the operation of a limited number of pots, it is largely due to excessive competition. In 1897 the American Glass Company (a selling agency) was formed and its beneficial effects were at once shown. It is reasonable to infer that further economies in production will arise from consolidation which will still further increase the profits."<sup>2</sup> Mr. Daniel G. Reid, president of the American Tin Plate Company, stated before the Industrial Commission that the company was formed "for the purpose of getting together to do away with foolishness in making prices, and competition, I suppose, would enter into that, although there is competition in the field against us."<sup>3</sup> In another place Mr. Reid strengthened this ex-

<sup>1</sup> "Commercial and Financial Chronicle," vol. 69, p. 593.

<sup>2</sup> "Commercial and Financial Chronicle," vol. 69, p. 745.

<sup>3</sup> "Report of the Industrial Commission," vol. 1, p. 885.



planation : " It seemed that there would be a good deal more money in the business than there had been in the past ; there would be no cutting of prices down to a losing basis."<sup>1</sup> Mr. William Griffiths, a tin plate manufacturer who sold out to the trust, stated that the prospect of monopoly was one of the inducements which were held out to influence him to sell.<sup>2</sup> Additional evidence is found in the location and number of the constituent plants. It is a familiar fact, emphasized in every prospectus, that the trusts control the greater part of the output in the industries in which they are formed, 75, 90, and 95 per cent being common figures, but the implication of this statement is not so generally recognized, viz., that they follow in their location the grouping of industry which has just been described, and that they unite under one organization plants which are often thousands of miles from each other, whose only possible connection was that of competition, and where the sole reason for union was obviously the wish to avoid that restraining influence. Take the plants of the American Steel and Wire Company, as one of the best examples of this transcontinental feature of the trust formation.

*List of Plants Forming the American Steel and Wire Company  
of New Jersey.*

State.	Name of Plant.	Location.
1. Massachusetts .	{ Washburn & Moen . . . . . Worcester Wire Co. . . . . }	Worcester.
2. New York . . .	Newburg Wire and Nail Co. . .	Newburg.

<sup>1</sup> " United States Industrial Commission," p. 884.

<sup>2</sup> *Ibid.*, vol. 1, pp. 901-902.

Q. " When these promoters visited you first in the interest of the American Tin Plate Company, did they express anything to you as to the avowed purpose of the formation of this company, or trust? What was the object of the trust? A. Oh, yes ; they gave us to understand that if the trust was formed, of course it would hold absolute sway.

Q. And the purpose was, then, to crush competition entirely, and to raise the price of tin plate? A. Of course, they would not say it in as strong phraseology, but they would say it in another way.

State.	Name of Plant.	Location.
3. Pennsylvania . . .	Consolidated Steel and Wire Co. . . . .	Allentown. Rankin.
	Salem Wire Nail Co. . . . .	Beaver Falls.
	New Castle Wire Nail Co. . . . .	New Castle.
	Allegheny Furnace Co. . . . .	Allegheny.
	Shoenberger Steel Co. . . . .	Pittsburg.
	Oliver & Snyder Steel Co. . . . .	
	Oliver Wire Co. . . . .	
	A. R. Whitney & Co. . . . .	Duncansville.
	American Wire Co. . . . .	Cleveland.
	Consolidated Steel and Wire Co. . . . .	
4. Ohio . . . . .	Emma Furnace of Union R. M. Co. . . . .	
	Cleveland Rolling Mill Co. . . . .	
	Cincinnati Barbed Wire Co. . . . .	Cincinnati.
	H. P. Nail Co. . . . .	Salem.
	Salem Wire Nail Co. . . . .	Findlay.
5. Indiana . . . . .	American Wire Nail Co. . . . .	Anderson.
	Indiana Wire Fence Co. . . . .	Crawfordsville.
6. Illinois. . . . .	Consolidated Steel and Wire Co. . . . .	Joliet. Rockdale.
	J. L. Elwood Mfg. Co. . . . .	De Kalb.
	Elwood Wire and Nail Co. . . . .	
	Laidlaw Bail Tie Co. . . . .	Joliet.
7. Missouri . . . . .	Consolidated Steel and Wire Co. . . . .	St. Louis.
	Laidlaw Bail Tie Co. . . . .	Kansas City.
8. Kansas . . . . .	Consolidated Barbed Wire Co. . . . .	Lawrence.
9. California . . . . .	Washburn & Moen Co. . . . .	San Francisco.
10. Washington . . . . .	Puget Sound Wire, Nail and Steel Co. . . . .	Everett.

Observe the vast extent of territory which is here included—ten states in all, with Massachusetts and California at either end of the line. Other trusts show the same thing though on a more limited scale. The plants of the American Sugar Refining Company are located in six states, including Louisiana and California. The Republic Iron and Steel Company is represented in eight states, including Alabama, Minnesota and Pennsylvania. The American Tin

Plate Company has its plants in five states, including Missouri, Indiana and Pennsylvania. The Continental Tobacco Company is located in six states, and the American Car and Foundry Company in seven states. Sometimes, it is true, the organization is local in character, such as the Minneapolis Breweries Company, and the Pittsburg Coal Company or it may, for some special reason of manufacturing advantage, include plants situated in states immediately adjoining, as International Silver, International Paper and the Whiskey combinations; but, as a general rule, the trusts include plants which are so widely sundered that the elimination of competition was plainly the dominant consideration in bringing them together.<sup>1</sup>

We may, I think, consider this point to be established. The desire to stop competition was the principal reason for the formation of the trusts, and from the producers' point of view, it was a perfectly valid reason, a reason which would appeal to any of his critics were they placed in a similar position. The suppression of competition has a number of aspects which commend themselves with almost equal force to the producers. To begin with, there is the selling price of the product. If combination is once secured, the unity of action secures a stable price at all times and enables the managers to change their prices with the state of trade in such a way as to secure the largest net return. When business is brisk and the demand is strong, they can take the fullest advantage of the situation by raising prices as high as the traffic will bear. The recent advance in the price of refined sugar is a case in point. Under competitive conditions, individual producers could never be sure that some special arrangement was not being made to their disadvantage, and large consumers could play them off one against the other so as to keep prices below the point to which the demand would naturally carry them. In

<sup>1</sup> List of plants given in "Poor's Manual of Railroads, 1899—." Heading, "Miscellaneous Corporations."

the same way, when prices are falling, the directors of a combination can feel secure against the reckless cuts and sacrifice sales with which hard-pressed firms are constantly threatening the market. They must indeed lower prices at such a time, but they do not make excessive reductions, and by their control of the supply, they can often check the decline and even convert it into an advance. Then, too, in dealing with the railroads, combination gives a great advantage, and in their purchases large corporations enjoy the position of the strongest buyer.

Export trade, moreover, can readily be developed to take off the surplus which stable prices will not suffer to be sold in the home market, and in this way plants can be kept running with greater continuity and larger profit than when every fall in prices means extensive shut-downs. In the same way that railroads charge lower rates on low class traffic which fills westbound cars, and so increase their net earnings by keeping all their equipment in use, the combinations, by making low prices abroad, can work off any surplus upon foreign markets and keep their machinery in more constant operation. This is the same theory of selling which underlies the German protective system, to extend the foreign market by the sale of surplus stock, increasing foreign sales when the home market weakens, and reducing them on a revival of local demands. Export trade is thus used as a "make-weight" to supply the deficiencies in revenue, which result from dull markets at home. Just as the English income tax is used to fill up the gaps in the revenue, so under the system of large corporate organization, the foreign demand is relied on to maintain the level of net earnings.

The advantage of combination in dealing with trade unions need only be mentioned. A monopoly of labor is offset by a monopoly of employment, and the manufacturers' position is much stronger than when each one has to meet unaided a great labor organization. Other advantages are

found in concentration of office force, distribution of special processes, advertising, cross-shipments and saving in selling agents. These, however, are of minor importance. The management of the industry has not been much changed. Particular markets will continue to be supplied from the nearest plants, just as they were, in largest part, before, a fact which greatly weakens the claim for economy in cross freights. Moreover, if the combination wishes to push its goods it must advertise. The National Biscuit Company has succeeded by increasing its advertising.<sup>1</sup> As to the distribution of special processes, this is no doubt an advantage, but in the lines of industry where trusts have been most largely formed, raw materials and half-manufactured products, its importance may be easily exaggerated. It should be remembered that many plants in each trust are already equipped with the best machinery before they enter the combination. It is true that a harshly critical and censorious public opinion has compelled the trust officials to exaggerate the importance of these minor economies of combination and studiously to conceal their hope to control prices, but these minor savings upon which such labored emphasis is put, are evidently reflections from the greater advantages of controlling the supply, and the inconveniences which they dispense with were made necessary by competition and competitive prices.

(b) *Cash or stock bonus offered.*—This inducement of the elimination of competition, although powerful, was not in all cases sufficient to secure universal consent to enter the combination. The weaker firms, indeed, to whom independent existence threatened destruction, gladly accepted, without quibble or dispute, the offer to take shelter under the wings of the trust. With the stronger firms, however, there was often more trouble. These, it will be remembered, had been making money. They were in no way forced to combine, and to many of them the prospect of being swallowed

<sup>1</sup> "Commercial and Financial Chronicle," August 26, 1899.

by a trust was not pleasing. To them other and stronger inducements must be offered. Moreover, shrewd business men in control of large plants know that their co-operation is essential to the formation of the trust. If strong competitors refuse to combine, the attractiveness of the proposition is much diminished, and it is likely to fall through. Indeed, the union of all the important plants is deemed to be quite indispensable. The organization of the Continental Tobacco Company, for example, was delayed several months until terms could be made with Liggett & Meyer, of St. Louis, whose competition made successful control of the plug tobacco trade very uncertain. This anxiety on the part of the promoter to secure the consent of strong firms to sell out to the combination, in order to make his proposition as attractive as possible to the stock market, offers a basis for cash negotiations, and enforces the necessity of cash payments to reluctant and desirable firms. Liggett & Meyer received from the Continental Tobacco Company \$12,500,000 in cash for their plant, and the American Steel and Wire Company had to provide \$15,000,000 for the purchase of plants. Even when the plants are not purchased outright a cash bonus has often to be given, varying in amount with the importance of particular plants to the combination, which is necessary to put it through. These bonuses and payments come under the head of "special arrangements" which must be made by the promoter, putting him under the necessity of financing the trust by raising the money.

He has two ways of meeting these difficulties, (1) by a special inducement in the exchange of stock for plants (his original proposition to all alike), and (2) by the sale of stock to underwriters. A weak firm, as just indicated, is glad to get in on any terms. The promoter agrees upon a value of the plant and pays for it in preferred stock, usually at par value. The firm owner here merely exchanges his earnings for the greater certainty which the preferred stock offers him. This does well enough in the majority of plants. With strong

firms, however, as just noticed, an extra inducement must be offered. In such cases the preferred stock is given for the value of the plant, varying in amount with the strength which each owner shows in bargaining and the amount of trouble he would probably make if his terms were not acceded to; also depending, in many cases, upon his relations with the promoter, and in addition a certain amount, usually one share of common stock, is given with each share of preferred. The advantages of this arrangement to the firm owner are obvious. His preferred stock protects him in a prior claim to 6 or 7 per cent of net earnings, and he can sell the common stock at 35 or 40 without endangering his preferred. He has received an interest in the new combination equal in value to the plant which he sells, and in addition what amounts to a present of one-half the value of his plant in common stock. The common stock of American Tin Plate sold above 30 until December, 1899, of American Steel and Wire above 45 during the same period, while Continental Tobacco, International Paper and Federal Steel, common, also maintained a good value throughout most of 1899. There was no difficulty in realizing a substantial amount of cash through the bonus of common stock. It is not strange, under these circumstances, that the firm owners, although offered the choice between cash and stock, in the great majority of cases chose the latter. If they took cash, they would get the value of the plant. If they took stock, they got the value of the plant in preferred, and what the common would sell for in addition. Another inducement has been the offer of situations as general officers or district managers to influential stockholders and firm owners. These positions carry high salaries and great distinction. The promoter makes these arrangements and appoints the officers before he parts with the stock. After that they must see to their own positions. This inducement, it will be noted, is so much extra gain to owners who are not already in receipt of salaries, and compensates salaried owners for the loss of their former positions.

This general acceptance of the bonus of common stock as an equivalent for the superior value of strong firms to the combination, although expected, could not be counted upon with absolute certainty. Cash might be demanded and the entire amount necessary to buy all the plants thus circumstanced must be provided by the promoter. In some cases where cash was demanded, however, the combination could not be financed. American Potteries, for example, fell through, because the firm owners demanded more cash than the promoter could furnish. Moreover, there were some plants to be paid for outright, and there were the debts of others to be provided for. A large amount of cash was required for these purposes and to obtain this cash the trust must be underwritten.

Another means might be resorted to. The new company might issue bonds to the minimum value of its plants and thus obtain the necessary funds. It might at least guarantee the bonds of the constituent companies and refund their floating debts into its own securities, in this way lessening the amount of the cash payment. But for many reasons the issuing of bonds is not desirable. It very materially lessens the attractiveness of his proposition if it includes a stipulation that the plants are to be put under a mortgage. The firm owner with his preferred stock, both as to earnings and assets, can probably get his plant back again if anything goes wrong, but if he consents to put bonds ahead of his stock he may suffer heavy losses in a reorganization. The incurring of indebtedness also lessens the value of the stocks and it is necessary that stock should be sold. So long as a company is out of debt it cannot go into bankruptcy, and its stockholders are safe from reorganization assessments. A mortgage lien, however, especially when the enterprise is new and untried, makes its success much more doubtful. Moreover, the bonds of a new enterprise must be sold at a heavy discount. A recent issue of trust bonds, underwritten at 92½ by one of the largest houses in New York,



brought only 70 in the market. For these reasons but few bonds have been issued by the trusts. During the first six months of 1899 only \$119,800,000 of bonds were issued by the trusts as against \$3,022,000,000 of stock.<sup>1</sup> Where bonds have been issued, debentures and income bonds upon which interest need not be paid unless earned, have been generally employed, or if the bonds carried an obligatory interest charge, a sinking fund clause has provided for their early retirement. The Federal Steel Company assumed \$30,000,000 of the bonds of its constituent companies, and the International Paper Company has issued \$9,000,000 of bonds out of its authorized bond issue of \$10,000,000, but these are the only important exceptions. This is in striking contrast to the practice of the railways. The total bonded debt of the Chicago, Burlington and Quincy, Illinois Central, Chicago, Milwaukee and St. Paul, New York Central, and Pennsylvania railroads amounts to \$642,000,000, while their combined issues of stock are \$421,000,000. The trusts, however, are not to be criticised for refusing to mortgage their plants. As just remarked, it would be difficult to float the scheme, if fixed charges were placed ahead of the stock, and besides this an easier and safer way to raise cash is open to them, namely, by the issue of extra stock whose sale is secured by previous arrangements.

II. Two methods are employed to secure the sale: (a) underwriting, and (b) the sale of privileges.<sup>2</sup>

➤ (a) *Cash purchases and underwriting*.—The underwriter insures the sale of securities at a certain price—lower than the market price by a margin sufficient in his judgment to

<sup>1</sup> "Commercial and Financial Chronicle," vol. 69, p. 57.

<sup>2</sup> This issue of stock, above what is necessary to pay for the plants purchased for stock, for a large part of its amount is really not an extra issue at all, but represents an indirect exchange of stock in the acquirement of properties or in the payment of debts, both of which strengthens the earning power of the combination. In so far as common stock is issued for underwriting commissions, the matter is no different from giving it as a bonus to firm owners. In one case stock is given directly for plants, in the other it is given indirectly by being first sold to the underwriter.

secure him against loss. A first-class bond selling at par will usually be underwritten at 98. A fluctuating industrial selling around 60 will be underwritten at 50 or 45. The underwriter agrees to take the stock at the price fixed upon if it is not sold within a stipulated time. In return for this guaranty he receives a bonus of stock, which, in some cases, is very large. Seligman and Company, for example, are reported to have received \$11,000,000 of common stock for underwriting the American Steel and Wire. Of course the risk was great, and in this particular instance the decline in the stock to 30 within a few months greatly diminished the value of the bonus. If enough securities are sold to provide the necessary cash the underwriter makes the entire value of his commission. If the shares cannot be sold he makes up the amount of cash lacking by purchasing stock at the price agreed upon. Underwriting has usually been undertaken by private bankers and trust companies. The entire responsibility is seldom assumed by the underwriting firm. Their business connections are admitted to a share in the responsibility and the commission.

(b) *The sale of privileges.*—The second method, one which has been frequently employed to finance combinations, is the sale of privileges. A privilege in trust finance is the right to receive in exchange for \$10,000 one hundred shares of preferred stock and a certain amount—usually one hundred shares—of common. The value of the privilege is the difference between the value of the shares and \$10,000. This same privilege was offered to the principal manufacturers in lieu of a cash payment. This method of underwriting was followed in the case of American Tin Plate. Judge Moore explained the method to the Industrial Commission as follows: "There has been no underwriting, what is technically known as underwriting, in any of these. Bankers and capitalists all over the country, after it was known I had made a success of this organization, applied by wire, letter and telegram to subscribe for the capital

stock.”<sup>1</sup> Besides American Tin Plate other examples of privileged financiering are National Distilling, National Biscuit and American Car and Foundry. The value of these privileges has already been shown in discussing the inducement offered to firm owners to accept stock for their plants instead of cash. As long as the value of preferred and common together exceeds \$100 there would be no difficulty in raising money by the sale of privileges. The highest value of the privilege in the National Biscuit during the last two years was  $57\frac{1}{2}$  in February, 1899, and of American Tin Plate  $39\frac{3}{8}$  in August, 1899. This does not mean, however, that all the stock taken by underwriters was disposed of at these figures. The stock must be worked off gradually as the market was able to bear it, and any attempt to hurry matters would have made the privileges worthless. As it was, their value in December, 1899, was only  $26\frac{7}{8}$  for National Biscuit and  $51\frac{1}{8}$  for American Tin Plate. This method of financiering does not differ essentially from underwriting proper. In either case, it is the bonus of common stock which offers a profit on the transaction. The sale of privileges is preferable wherever it is possible to interest the firm owners more largely in the combination by selling stock to them on this basis. Judge Moore stated before the commission that the firm owners, as soon as they saw that the combination would go through, were anxious to take the stock which had been set aside for a syndicate.<sup>2</sup>

III. *The profits of the promoter.*—The work of the promoter is now ended, and the amount and manner of his profits may next be considered. The gains of promoters are contingent on their success in buying plants and making underwriting arrangements. They seldom put any money into

<sup>1</sup> “Report of the Industrial Commission,” vol. 1, p. 963.

<sup>2</sup> I have given in the foregoing the most common methods of exchange and underwriting. In the multitude of consolidations which have been financed during the last two years there has been room for a great many deviations from the forms here described.

the combination, and whatever stock there is left after the arrangements are completed constitutes their profit. Their situation is analogous to that of a railroad construction company. There the practice is for a few men to form a company and obtain a franchise to build a railroad. On the strength of this franchise they issue as many bonds as they can get underwritten and a certain amount of stock in addition, an amount very often equal to the bond issue. Then these same persons form a construction company to build the road, taking their pay from themselves as a railroad company in bonds which carry with them as a bonus the greater part of the stock. The profits of the construction company consist of the difference between the cost of the road and the amount obtained for the bonds and stock. These profits can be increased by diminishing the cost of the road, and they also depend on the price obtained for the securities. On a rising market, when securities find a ready sale, these profits are large. On a declining market, however, in spite of the excessive compensation which the construction company often allot to themselves, their operations may often result in heavy losses, if the securities cannot be sold for the cost of the road. The trust promoter is in much the same position. He forms a company and obtains a charter which authorizes him, among other things, to purchase manufacturing plants. The company then issues preferred and common stock, the preferred stock presumably equals the value of the plants, while the common stands for the economies of combination. The promoter now uses the stock to purchase the plants. Some of it he is obliged to give away in bonuses to secure the consent of the stronger firms and to reimburse the underwriters. If the plants can be purchased and the underwriting secured with less than the whole issue of stock, the promoter makes a profit by the sale of the stock which is left. This profit depends on forcing favorable terms from firm owners and upon the condition of the stock market. We can now understand the invariable se-

crecy which surrounds the dealings of the promoter with the firm owners. Every effort is made to prevent any knowledge of the amount of the options from getting abroad. Judge Moore stated the matter as follows before the Industrial Commission: Q.—“At any time did any manufacturer know the option of any other manufacturer?” A.—“Not if I could keep it from him.” Q.—“So there was no opportunity for comparisons?” A.—“It was a business transaction. Each manufacturer imagines his plant is better located; better than his neighbors’; he knows it is; he has no doubt about it.”<sup>1</sup> The inference is so obvious that I need do no more than call attention to it. By keeping each manufacturer in ignorance of the terms offered to every other, the promoter is able, even as between plants of equal value, to make better terms with some owners than with others. He can take advantage of individual ignorance of the general situation, and can often magnify the advantages of combination, while those with whom he is dealing have no opportunity by comparing notes, to learn just how indispensable each of them really is to the combination, and so to mutually strengthen each other’s demands. This is one aspect of the promoter’s profit, the other is conditioned upon the prices obtained for the stock. So far his situation is identical with that of the construction company. He forms a company to accomplish certain results through the exchange of the securities of that company. His profit depends upon the amount of securities which he has remaining and upon their value.

There is one point, however, where the comparison breaks down. The trust promoter has not the same risk of loss as the construction company, which actually undertakes the work of construction. In the case of the railroad, if the securities do not sell for the cost of the road, the construction company which has obligated itself to the contractors suffers a loss.

<sup>1</sup>“Report of the Industrial Commission,” vol. 1, p. 961.

The trust promoter, however, has assumed no obligations nor any risk excepting those connected with his reputation as a shrewd and successful man of business. If he fails to purchase the plants with the securities which he has in hand the combination merely falls through, things go back to their original status. The promoter seldom makes contracts which obligate him to expend money that he cannot obtain by selling stocks. Promoters' profits, therefore, do not represent compensation for risk, but merely for services rendered, and so have not the same justification, if indeed any justification is required, as the profits of the railway pioneers. The trust promoter does not construct, he merely combines what is already constructed. The net result of the trust movement is not, like the work of the railway promoter, a large capital expenditure; it is merely a change of ownership and organization. Whatever risk is assumed in these operations is assumed by the underwriter. Speculation as to the probable amount of these promoters' gains is unprofitable. These profits depend upon two quantities, the amount of the stock remaining in their hands and the price obtained for that stock, and both of these quantities are unknown.

IV. We come now in our inquiry to the stock market. The company has been organized, the options secured, the shares exchanged, the underwriting provided for, the officers selected by the promoter, and the company put in operation. The immediate profits of consolidation must now be realized and to this end the stock must be sold.

*The sale of stock.*—The promoter, unless he retains an interest in the new company, must sell his stock to make his profits. The underwriters have large blocks to dispose of, both of preferred and common. The firm owners have their bonuses of common to sell, and many of them welcome the opportunity to release their capital and turn it into other investments by selling all the trust stock which they hold. Roswell P. Flower, for example, was a large owner of paper

mills which he was instrumental in bringing into the International Paper Company, receiving its stock in exchange. In the settlement of his estate it was found ~~that~~ that he held only one share of preferred and one thousand shares of common stock of the International.<sup>1</sup> All these stocks must be sold to some one if their holders are to realize their expected profits.

*Classes of investors.*—~~Trust securities cannot be sold to~~ the true investor. The trust is a new enterprise and its success, while perhaps not doubtful, is yet far from being so certain as to warrant a confident expectation that its dividends will be such as to commend it to the favor of conservative investors. An investment security is one whose rate of return is safe, stable and permanent. It is purchased for what it is worth at the time of purchase, and in the expectation that it will maintain about the same value; certainly that its value will not greatly decline. The true investor—qua-investor—is not a business man. He surrenders the chances of large profits and the risk of losses equally large, in return for the assurance of certainty in a fixed income upon which he can depend at all times, and which is not conditioned upon his constant care and effort. Indeed, the value of investment securities depends more upon their permanence and security than upon their rates of return, a fact which is evidenced by the high value of government bonds and hundred year railway first mortgage bonds. The true investor is not a risk-taker, and investment securities are those from which the element of risk and fluctuation has been almost entirely eliminated. Trust securities do not conform to these investment requirements. They represent an experiment. Their success is yet to be demonstrated. Worst of all their legal and political standing is not yet assured, and their business methods have not yet attained that degree of frankness and conservatism which would commend them to a careful investor. For these

<sup>1</sup> "United States Investor," March 17, 1900.

reasons the shares of the new trusts can look for little investment demand.

There is another class of investors, however, to whom the securities of the combinations offer a most tempting inducement. These are the speculative investors. They may in their turn be divided into two classes. The first class is represented by such a man as Russell Sage. Holding a large amount of money constantly in hand, they are on the lookout to buy stocks and bonds which for one cause and another have fallen below their intrinsic value. The securities of reorganized railroads furnish a large field for their activity. Every time of financial stringency which forces large sales of first-class securities and pulls down the price of the entire list, finds these "panic birds" ready to pick up the bargains. They are reasonably sure of large and quick returns on such purchases, because the low prices at which they buy are evidently due to exceptional and peculiar conditions which are certain to pass away, relieving the pressure and bringing prices back to their normal level. These speculative investors, be it repeated, operate chiefly in times of financial stringency. They are the only ones who profit from bankruptcy and depression. They are not in the market for trust securities, and indeed have been largely interested in the underwriting. They are sellers, not buyers of trust stocks.

Eliminating the shrewd speculative investor, we have left a class of investors who are not so shrewd. These are the people of moderate means and moderate intelligence who buy the shares of new companies at a low price, trusting in the representations of the promoter that they will pay large dividends and greatly increase in value. They are tempted by the offer of 12 or 15 per cent to buy securities which are very likely to be worth nothing. The promoter is indeed the pioneer of progress. He takes great risks and runs long chances, but he risks the savings of the great middle class who are ready in every period of inflation to



forget the past and trust him once more. The appeal of the promoter to the investor is illustrated by the following extract from a mining prospectus:

" Bell Telephone was given away for board bills yet has paid over \$36,000,000 in dividends. Calumet and Heckla went begging not so many years ago—its total dividends to date are over \$60,000,000. . . . It would take a day to enumerate the instances where properties rich and great to-day were offered for a song. The people who did buy them are rich now, and why? Not because they were "lucky" but because they investigated promptly, judged the merit of the proposition, and acted while there was time. If they had waited until to-day to buy the shares of these enterprises they would get perhaps 5 per cent on their money—possibly eight—but no more. But buying when they did, they got all the way from 50 per cent a year up to 500 per cent because they had both the judgment to recognize the worth of the opportunity and the courage to seize it. A thorough examination of the details of the Arizona Copper Syndicate will satisfy any man of judgment as to its merits. It is one of the greatest opportunities ever given investors. Investigate it now while the price is low."

*Inducements to speculation.*—Here are the principal inducements to the speculative investor in every new enterprise. Other men have had similar chances and have made fortunes. Why should not he be equally successful? He is not asked to gamble, he is asked to "investigate" an industrial opportunity and act only as his judgment directs. He may be half conscious that the promoter is a liar and that his prospectus is worthy of its author. He may have even been mulcted by similar schemes in the past, but he is carried away by the prevailing optimism of the time; he "feels good," as the saying is, and is ready to listen to the advocates of new schemes for getting rich. Other people are making money fast and he is perfectly certain of his ability to do as well as they. The appeal to his "judgment" and his "courage" is the bit of flattery which is often decisive. When once embarked on a doubtful enterprise he is impelled by sentiment and interest to draw others along with him. Every speculative investor is a promoter. He is zealous in

his advocacy of the enterprise to which he has committed his money. His enthusiasm is infectious. Others are drawn into the net by his representations and they in their turn compass sea and land to make one proselyte. In this way, the wave of speculation is set going and sweeps through all classes of society turning the accumulations of years of effort into the treasuries of the new companies. The situation is universally familiar. A minister or a merchant has a few thousands laid by, a woman has either saved or inherited a small amount, a workman or a farmer has managed to scrape together a few dollars for a rainy day. Such people are found by the thousands all over the country. From their accumulations they draw a small rate of return, often so small that they are constrained to add it to the principal, and do not venture to apply it to expenditure. Four or five per cent clear gain is about all that can be expected. Their lives are hard, monotonous, and infinitely barren. Before their eyes is constantly flaunted the seductive spectacle of leisure class consumption, spurring on their desires which are certain in any event to outrun their means. To such people the prospectus of a new enterprise is wonderfully attractive. In exchange for a few thousands it offers them a fortune. The offer dazzles them. Their desires benumb their small judgments. The risk of the undertaking is forgotten. No investor in a speculative scheme enters it with the thought of risk in mind. The calm balancing of chances is the exercise of a superior order of mind. The speculative investor does not buy a chance, he buys what he thinks is a fortune. The line of speculative investors is very ancient. In 1720 there was printed for W. Bonham in London, "an argument proving that the South Sea Company is able to make a dividend of 38 per cent for twelve years—fitted to the meanest capacities." This was one of the first propositions ever issued and the succession has been worthy of its ancestor—Spanish Jackass Company, Louisiana Bubble, South American Bonds, American Improvement Bonds, English Rail-

ways, American Railways, American Mines, South American Railways, Australian Railways, Rand Mines, American Industrials, John Law, Hudson, Barnato, Hooley, MacIntyre, and Lawson. The line runs true. The Spanish Jackass Company still lives.

*The prospectus.*—The trust puts out a prospectus which differs from that of the Arizona Copper Syndicate only in form. Here is a specimen:

"The International Paper Company, of New York, was incorporated January 1, 1898. It at once took over by purchase twenty-five of the principal pulp and paper mills of the country, which produce from 70 to 90 per cent of all the newspaper manufactured east of Chicago. The average daily output of these mills is: ground wood pulp, 1,050 tons per day; sulphite pulp, 256 tons per day; finished paper (nearly) 1,500 tons per day. The leading manufacturers retain their interest in the industry and many of them are giving their time and energy to the promotion of the business of the new company. The company has issued the following securities, the large majority of which have been used in payment for the mills, water power and woodlands acquired by the new corporation: First consolidated mortgage, 6 per cent gold bonds, \$10,000,000 preferred stock, cumulative 6 per cent, \$25,000,000; common stock \$20,000,000. The appraised value of the property securing the above named bonds is \$40,000,000. Net earnings are now more than sufficient to pay the interest on the bonds, dividends on the preferred stock and 10 per cent on the common stock; while indications fully sustain the belief that they will be even higher in the future. Regarding competition it can hardly be expected to prove successful, if attempted, for the valuable water power and timber lands—400,000 acres of the latter being held—could not be easily duplicated or acquired."<sup>1</sup>

It is no gold mine or land company which the trust promoter has for sale. He fathers no wildcat schemes. He appeals to the "investor" not to the speculator. He has organized the manufacturing industries of the United States into great companies, whose members have already succeeded in their individual capacity, and which cannot fail to achieve far greater success when combined. He will sell

<sup>1</sup> "Commercial and Financial Chronicle," July 23, 1898.

them a stock at forty or fifty, which *must* pay at least 6 per cent on its par value, offering them 12 per cent on their investment. Nearly every prospectus contains this statement. The preferred stock represents the capitalized earnings of the plants before consolidation and all the economies are to go to the common stock. The common stockholder is to be the residual claimant. The preferred stock is represented to be no better off than it was before, but the common is to reap the full fruition of the great step in industrial progress which has been taken. Here is a double inducement, a high rate of interest, or a quick realization of large profits, for the stock is certain to go higher. There is no manner of doubt about it. Here are the properties. Their value has been carefully investigated by expert accountants and preferred stock issued to represent that value. Here are the economies of combination—so much from advertising, so much from freights, so much from patents, a large amount in addition from control of the market. Everything is open and above board. There is no concealment whatever. According to the promoter the thing is practically certain. The prospectus of the International Silver Company is a good illustration of the nature of these promises to the common stockholder:<sup>1</sup>

## SAVINGS BY CONSOLIDATION.

	Present Expenses	Reduced To
Salesroom and clerk hire . . . . .	\$375,000	\$100,000
Travelers' salaries . . . . .	350,000	125,000
Travelers' expenses . . . . .	400,000	75,000
Clerk hire, etc. . . . .	275,000	50,000
Designers, machinists, etc. . . . .	225,000	75,000
Advertising . . . . .	200,000	50,000
	<hr/> \$1,825,000	<hr/> \$475,000
	475,000	
Total saving . . . . .	<hr/> \$1,350,000	

<sup>1</sup> "United States Investor," May 19, 1900.

PAYMENTS.		
	Present Expenses	Reduced to
6 per cent int. on \$3,500,000 bonds . .	\$210,000	\$1,350,000
7 per cent div. on 4,500,000 pre. . .	315,000	526,000 <sup>1</sup>
10 per cent div. on 10,000,000 com. . .	1,000,000	1,876,000
	<hr/> \$1,525,000	<hr/> 1,525,000
		<hr/> \$351,000 <sup>2</sup>

*Common stock purely speculative.*—The stock of International Silver was originally offered around 50, so 20 per cent was promised on an investment in its common stock. Nearly every prospectus contains, expressed or implied, a similar assurance of common stock dividends. The common stock of the trusts was certainly a very attractive proposition to the speculative investor. Moreover, competent and authoritative opinion was not lacking to influence the wavering and uncertain investor. The underwriting privileges had been sold “all over the country.” Financial houses and moneyed men everywhere had been let in for a share of the underwriting and had stock to sell. Besides this, there were a large number of manufacturers in all the industrial centres who wished to realize on their bonus or on their preferred stock. These institutions and individuals have a large following among this class of investors, and their opinions upon financial matters are held to be very weighty. The influence which can be exerted in favor of the new securities is something tremendous. There need be no direct solicitation. That would be undignified, and might make trouble between friends if anything went wrong. More than this, direct solicitation is unnecessary. As Bacon remarks in his essay on “Cunning,” “it workes better when anything seemeth to be gotten from you by question than if you offer it of yourself.” This advice to buy stock is almost always “gotten by question” and is disin-

<sup>1</sup> Earnings before consolidation.

<sup>2</sup> Surplus.

terestedly given. The news of the formation of the trusts is in everybody's mouth. Their prospectuses are in the newspapers. Imagination magnifies their really enormous extent and power, and the profits which they will realize. And their stock is now offered to the public at a low price. What more natural than to consult with one's financial adviser and what so conservative as his opinion. He advises no one to buy, or if he ventures so far it is always with the caution that "something may go wrong," that bit of caution which establishes him firmly as a safe adviser. He lets it be understood that he thinks well of the proposition; moreover, that he is personally interested in it, and he merely suggests that it is worth "investigating." In such matters he who investigates is lost. The advice is usually taken and the stock is sold. The underwriters and those who are interested in selling stock had only to let it be known that they considered the trust stock a "good thing" to gather in the wool of the whole country. A large amount of trust stock has been sold to this class of investors.

— There is another class to whom stock can be sold. These are the margin speculators, the gamblers who bet on the turn of the stock market. By depositing a small per cent of the market value of any security with a broker he will borrow money and buy stock for them, loaning them the difference between their deposit and the value of the stock, and holding the stock in his vaults. His customers pay him interest on the money borrowed to buy the stock—a higher interest than he himself pays to the bank; and in addition one-eighth per cent commission on the par value of the shares purchased. The broker will buy or sell the stock as his customers may direct. By depositing \$100 and paying interest and commission, the speculator can become the nominal owner of twenty shares of stock which is selling around 50. Suppose the stock goes up ten points, he doubles his money, less the commission and interest. He may also purchase an option to

deliver stock in the future at the price now ruling. If the stock falls, he can buy in for delivery and make the difference. In the case of a purchaser for a rise, if the stock declines, he must deposit "more margin" with his broker. Failing to do this he loses the amount of his first deposit. If the stock continues to decline the weaker holders are gradually sold out and the securities pass into the hands of the stronger speculators, who are either carried by the brokers or who finally, growing weary of paying interest, buy the stock outright and hold it for an investment.

The attractiveness of this form of gambling is very great. It is so much like "business," so much apparently depends on the judgment of the buyer and comparatively so little on the turn of the wheel or the chance of the draw. Every class is represented among the margin speculators. Business men and professional men are found in the better offices; clerks, teachers, ministers, and a host of women, frequent the intermediate grades and the bucket shops. The promoter may reckon with this class, and it is to his interest to impress them with the favorable outlook for his enterprise in order to persuade them to buy for a rise. The outside buyer is almost always a bull. His demand is not an investment demand. The margin speculator does not want the stock and is apt to sell on a slight advance. He puts his money into margins in the belief that the stock will advance. The more seductive are the representations of the promoters, enforced as they are by the "tips" of the brokers, the larger will be the buying for an advance. As the stock goes up, the profits realized are turned back into new margins and the advance gathers strength as it proceeds. Indeed, it often happens that the value of a speculative stock may be carried high above its investment value as indicated by the earnings of the property. The buyer for investment is, however, the half seen goal of the outside buyer. The investment demand always looms ahead, and he deposits his margins in the belief that the market value

is still below the investment value. A stock whose value is highly uncertain, fluctuating within wide and irregular limits, affected by every breeze of rumor, such a stock as American Sugar common, for example, is also a favorite with the outsiders. It is so delightfully uncertain and there is always the chance that when it falls it will rise again. The trust stocks have all been of fluctuating value and so have been popular with the margin speculators. The inducement to engage in these operations is the same desire to get something for nothing or rather much for little, which animates the investor proper. Stories of successful operation are widely heralded and losses are generally kept secret. One incident of the last boom in the stock market was the story of a messenger boy who started in with \$50 and quit with \$23,000. Such stories, like the advertisements of the Louisiana Lottery, point the way to a desirable addition to a limited income. The psychology of gambling, however, is a study by itself and need no longer detain us.

Just in what way does this gambling furnish capital to the new enterprises?—Simply in this, their securities are wanted for gambling material by the brokers. They are the "chips" with which the public play the great game of speculation. The operation is something as follows: The surplus cash of the country is sent to New York City. This money can be recalled at any time and so the greater part of it is not available for time loans. It may, however, be loaned on call. The brokers borrow this money and buy speculative stocks with it. They also borrow large sums on time loans to carry their larger customers. So far as the promoter and underwriter is concerned it is the same thing as though the broker was a legitimate investor. Their only object is to make the enterprise as attractive as possible to the public, so that the demand for speculative material may be large. The brokers on their part use the stocks for collateral at the banks, together with other securities to support its wavering value, and make up the difference between the market price



and the value which the bank puts upon the stock as collateral—usually about ten points below its market value—by the margin which they require from their customers. Thus a large part of the surplus funds of the country are turned over to the founders of new enterprises through the channels of speculation. The money which they get for the stock is borrowed money, but that makes no difference to them—they do not borrow it. The larger the demand for their stocks from margin speculators, the larger is the amount of money which is borrowed by the brokers and turned over to them. The amount of this demand is very large. On September 7, 1899, the call loans of the national banks of New York City amounted to \$129,000,000.<sup>1</sup> Almost all of this was loaned to speculators and much of it on industrials. This money was turned over and over again and constantly replenished by new margins so that it might pass more than once in original exchange for industrial stocks. The amount of margin speculation is enormous. The total number of shares listed on the New York Exchange does not exceed 60,000,000,<sup>2</sup> and the total number sold in 1899 was 176,421,135. On the basis of these figures each stock was sold three times over. But this average does not give a true picture of the situation. Most of the railway stocks are held for investment and do not come into the market. On the other hand, the industrials, owing to their wide and erratic fluctuations, have been abnormally active. The weekly sales of American Sugar have frequently exceeded the entire issue of the stock. The demand for speculative material has been very active, and the trusts have furnished most of the supply.<sup>3</sup> For the week ending June 16, 1899,

<sup>1</sup> "Report of the Comptroller of the Currency," 1899, vol. i, p. 422.

<sup>2</sup> This estimate is approximately correct for the shares whose prices for 1899 are given in the "Financial Review."

<sup>3</sup> Another cause of large profit to the stockholders in control of these enterprises is the large gains from pool manipulation and from inside information. American Sugar is worked up and down several times a year in this way, and the case of John W. Gates with his three and a half million dollar check is still fresh in mind.

for example, the sales of American Sugar common were 435,000 shares, although the entire issue was only 375,000. American Tobacco and Continental Tobacco, together with the steel stocks have also been great favorites with the speculators, because of their rapid and wide fluctuations. On the other hand, the railroads have been largely neglected of late years. They are popular during an advance, on the certainty of large earnings but their value is so well settled that they, with the exception of a few street railways like Metropolitan and Manhattan Elevated, offer but little inducement to margin buyers. Some few issues, such as Missouri Pacific and Union Pacific are still popular, but most of the railway stocks are now firmly settled upon an investment basis.

V. *The collapse of the common stock.*—The trust stock has now been put upon the market. Much of it has been sold to investors. The brokers have large holdings. The firm owners, the underwriters and the promoters have the cash. The next thing in order is the payment of dividends. Dividends on the preferred stock of the industrials have almost invariably been paid in full and without difficulty. The trusts have lived up to their contract with the preferred stockholders, that is to say, the preferred stockholders have lived up to the agreement between themselves. The common stock, however, presents a more interesting situation. This, it will be remembered, was to receive dividends from "the economies of combination." Let us examine the fortune of the common stockholder. Are his hopes to be realized or is the value of his stock to decline, until like the continental currency, it "falls gently asleep in the arms of its last possessor?" The following table shows the value of the common stock of sixteen of the recently formed combinations on June 23, 1900, together with their value at the time of admission to the exchange and three months after that date, and also the rate of dividend up to the close of 1899:

NAME.	Value Month of Admission to Exchange.	Highest Monthly Value, 1899.	Value July 13, 1900.	Rate of Dividend, 1899.
American Car and Foundry . . .	20 15-16	. .	15 $\frac{1}{4}$	None.
American Ice . . . . .	40	. .	35 $\frac{1}{2}$	At 4 p. c.
American Malting . . . . .	27 $\frac{1}{4}$	32 $\frac{1}{4}$	3 $\frac{1}{2}$	None.
American Smelting and Refining . . .	54 $\frac{1}{2}$	. .	37 1-16	None.
American Steel Hoop . . . . .	39 15-16	65	19	None.
American Steel and Wire (new) . . .	46 $\frac{1}{8}$	. .	32 7-16	None.
American Tin Plate . . . . .	40 15-16	47 3-16	21 $\frac{1}{2}$	None.
Continental Tobacco . . . . .	53 $\frac{3}{4}$	. .	25 $\frac{1}{2}$	None.
Federal Steel . . . . .	53 $\frac{1}{8}$	66 $\frac{1}{4}$	32 $\frac{1}{2}$	3 $\frac{3}{4}$ p. c.
International Paper . . . . .	57 $\frac{1}{2}$	64 $\frac{3}{4}$	22 $\frac{3}{8}$	2 p. c.
International Silver . . . . .	32 $\frac{3}{8}$	. .	4 $\frac{3}{4}$	None.
National Biscuit . . . . .	32 11-16	55 $\frac{1}{2}$	29 $\frac{3}{8}$	At 4 p. c.
National Steel . . . . .	52 $\frac{3}{4}$	55 $\frac{1}{2}$	23 $\frac{1}{8}$	None.
Rep. Iron and Steel . . . . .	25 13-16	29 9-16	12	None.
Union Bag and Paper . . . . .	40	. .	13 $\frac{3}{4}$	None.
United States Flour Milling . . .	41 $\frac{1}{8}$	. .	Extinct.	None.

These are the combinations which promised a good return on the common stock. Something has evidently gone wrong. Not only do the stocks bear a low value but their value has fallen from the early quotations, from 25 to 75 per cent, and this within two years from the time of listing. The case is even worse than is represented. Not a single one of the combinations organized since 1898 has paid a good return on its capital stock. Out of 78 combinations listed on the New York Exchange there are only two industrials whose common stock bears a price over 50. Most of the others are worth less than 40. Many of the common stock values are much lower than those given in the table. Here is Empire Steel, for which 3 is offered, United States Leather selling at 9, Natural Starch at 6, and Union Steel and Chain at 3. In the worst days of railroad speculation there was never such a large proportion of low-priced stocks and these values are made when the prices of commodities are high and when general business is very active. If the common stock suffers so much now, what will happen to it in times of stringency? "If in the land of peace, wherein thou trustedst,

they have wearied thee, how wilt thou do in the swelling of Jordan?"

The public has been much befooled. So much is evident. This, however, is nothing unusual. They and their ancestors before them have had the same experience with other propositions. The collapse of the common stock of the trusts is no new thing and might have been expected—in fact, was expected by conservative investment interests from the first. The United States Investor, for example, has insisted all along that the common stock of the new industrials was practically worthless. The speculative investors had plenty of warning, just as they have always had. It is the South Sea Company and the Louisiana Bubble over again; the same prospectus, the same promises, the same pointing to the eminence of the promoters and their high character and financial standing. The South Sea pamphlet which has already been quoted has a sentence or two with a strangely familiar ring: "Is it not the greatest absurdity to imagine that such a number as thirty (most of which, if not all, were before allowed to be men of Sense and Honor), should all, and everyone, on the sudden, concur in such a monstrous piece of villainy?" and the question is answered two centuries later by the Investor: "A more palpable fraud was never attempted. A lot of men, many of them persons of respectability, get together and conspire to unload hundreds and thousands of industrials on the public at several times their present or prospective value and in order to effect this end they make representations regarding the future earning power of the industries, the ridiculousness of which no one is in a better position to understand than themselves." The trust movement then, in its common stock feature, represents a gigantic swindle, the most stupendous and successful attempt at financial dissimulation that the world has ever seen. The current explanation is "over-capitalization" and the remedy offered is "publicity." A recent

writer on the subject has voiced the opinion of the Industrial Commission:

"The only just method of preventing the evils which are likely to come about through the capitalization of any establishment is to put clearly and fully before all investors, at the time of the organization, the plan of organization itself, the amounts actually allowed for all and each of the properties taken into the establishment, with as complete information as possible regarding these properties, so that a fair judgment can be made regarding their cost and earning capacity."<sup>1</sup>

General opinion has echoed the statement, the trust officials themselves have endorsed it—let us have publicity in such matters, it is argued, and all will be well. This explanation and the remedy suggested are not entirely applicable to the situation presented by the failure of the trusts to pay dividends on their common stock.

To begin with, so far as the preferred stock is concerned, the result has borne out the representations. Preferred dividends have been earned and paid as promised. The manufacturer who sold his plant for preferred stock has received full value for his money. So it is the common stock only that is to blame for the disturbance. But there was less secrecy about the common stock than is generally supposed. It is true that many plants were put in at excessive values, and that more stock was issued than necessity required, but this does not represent the principal explanation of overissue. It was claimed in the prospectuses that the earnings of the constituent companies before the consolidations were sufficient to pay dividends on the preferred, and there is no reason to doubt that these statements of fact were true. The plants no doubt did earn enough for a respectable dividend, and the preferred stock did, in most cases, represent the earning power of the companies before consolidation. Some juggling with figures there no doubt was, and an exaggeration of earnings was often the result, but it is difficult to believe that reputable accountants, such, for example, as

<sup>1</sup> Jenks, "The Trust Problem," p. 105.

Mr. Stephen Little, whose reputations depend upon their accuracy, would sell themselves to any wholesale tampering with figures. It is of course conceivable that the accountants made false statements sufficient to seriously injure the investor in trust stocks, but it is by no means probable. Nor were the conditions upon which the payment of common dividends depended, obscure or hard to understand. The common stock represented the capitalized value of the economies of combination and all agreed that they would be great. All the savings in management, shipping, buying and selling, besides the gain from the greater control over prices, were to go to the common stock. Where then was the secrecy? Indeed, by the same writers who so severely reprehend the "secrecy" of the trusts as being the cause of the inflated value at which their common stock has been sold, it is argued that the trust movement is a distinct advance in industrial organization and that its economies are very considerable. They admit then that economies do exist, and it is certainly reasonable on their own statements to explain a part of the inflated value of the common stock by reference to an exaggerated estimate on the part of the public of the value of these economies and not entirely to the hole and corner activity of the promoters. The promoters were making claims about the future and the truth or falsity of their claims only the future could reveal. How is it possible to make the future plain to the present? The only way to guard against such miscalculations would be to prosecute on a criminal charge any promoter whose predictions were not borne out by the event, and this would be to abolish the promoter entirely. If he is not to use his imagination his occupation will be gone. If the community desires men to take large risks and run long chances—the essential condition of rapid progress by the investment of capital in new and untried fields—then the periodical waste of the savings of the people in wildcat schemes follows as a matter of course. The conservative investor, who is able accurately to estimate the value of a

proposition, will not take chances, and the speculative investor, who is ignorant and susceptible, will, on his part, also decline to invest his money unless he is promised a rate of return which, by its very amount, shows the great risk which it involves. Without the promoter and his eloquent and persuasive representations, speculative investment would cease and industrial advances would only be made when the profit was certain beyond the peradventure of a doubt. We prefer the jack-rabbit style of progress, and we must accept its consequences.

The buyer of industrial common stock has been sacrificed on the altar of a new form of industrial organization. If a permanent advance has really been made the gain to society may outweigh the loss to individuals. It is certain, however, that the trusts could not have been financed within such a short time and in such large numbers without the common stock, and also that the common stock would not have been sold without the misrepresentations which were made concerning its ultimate value. If the movement had proceeded slowly, legitimate investment might have sustained it, and conservatism of statement might have prevailed. But in the United States we do not do things little by little. We do them all at once, and a reorganization of the greater number of manufacturing industries of the country within two years could not be accomplished without prodigious waste and stupendous lying. It is not publicity which will cure the evil of overcapitalization, if evil it be called, but a new ideal of industrial progress based upon investment instead of speculation, and the realization of such an ideal implies a reconstruction of human nature. Until imagination is destroyed, emotional susceptibility deadened, and clear judgment seated firmly on the throne of the common mind, we shall probably experience again and again these waves of speculative excitement, and the capital for new and risky enterprises will continue to be perennially drawn from the pockets of the eternally gullible.

*The losses of the underwriter.*—There is one feature of the situation, however, which should afford much amusement if not consolation to those who have suffered loss from purchasing industrial common stock, and that is the fact that the eminent and respectable underwriter who had planned to work off his large holdings on his credulous countrymen has for once overreached himself. He also has been caught in the toils. The trust movement was quickly overdone. Seven thousand millions of shares within two years was too great for the speculative appetite. It was impossible to find purchasers for the shares issued even had they offered a secure investment. This was not foreseen by the underwriters, who were even more eager to mulct the public than the public were to give them the opportunity. The underwriters were, therefore, compelled to buy shares for which they could find no market. The following extended quotation from the "Investor" so exactly describes the situation and the event has so fully verified its predictions that I venture to give it in full:

"We have tried on a number of occasions to show that the promoters and underwriters must inevitably meet with great loss. Very few persons, however, have yet begun to realize the extent of these losses. For this reason we are disposed to quote the following from some recent utterances of a well-known bear operator in New York. He may have an 'axe to grind' in talking thus, but that does not alter the facts. He says: 'Few people know how serious have been the losses to individuals and firms in and out of Wall street by too extended underwritings of the issues of new industrial combinations lately exploited. It is well known that with the exception of the first few issues the bulk of the flotations since have been failures, bringing with such failures widespread losses to underwriters and institutions. The stocks of the new combinations, or most of them, are absolutely unsalable, and, of course, valueless as collateral. The underwriter who has paid to the institution financing the new trust the amount of his underwriting commitment to it, is crippled by the amount so paid, for he receives securities in return which he cannot borrow on or sell except at a frightful loss. If he has failed to respond to the financial institution's call for his guarantee to it, then he makes that institution



carry his load, and that institution depends upon the public for its deposits. When one considers that in this city alone it is conservatively computed that these underwriting commitments amount to hundreds of millions of dollars, with underwritings for millions in Philadelphia, Boston, Baltimore and Chicago, the tremendous strain of the situation is revealed.' The above is the only rational view to take of the situation. The losses to the parties who have promoted and underwritten the industrial trusts that have been started since January, 1899, will turn out to be so great that it will be only by the exercise of the greatest skill on the part of those having in charge the financial interests of the country that the trouble does not become widespread, and include the innocent as well as the guilty. We shall be glad if the increasing prosperity of the country does not receive a tremendous setback from the losses which are bound to overtake the individuals who have endeavored to palm off on their countrymen several billions of dollars in bogus securities."<sup>1</sup>

The troubles of the Amalgamated Copper Company offer a concrete illustration of the general account and show the great difficulty experienced in carrying industrial shares. In this case the promoters had themselves taken the underwriting.

"This trust was formed of a number of companies, the Anaconda being the largest. Anaconda had been advanced to a very high figure at which it was turned into the Amalgamated; namely, to the Standard Oil crowd. About three-eighths of the stock, however, was held in England and was not at once turned in. The Amalgamated people now proposed to put their stock up to 150 or 200, but just at this time the English holders of Anaconda decided that they were satisfied to sell and began to unload their holdings at higher figures than they had thought possible a year before. Besides this they were naturally suspicious of the bold and energetic men at the head of the Amalgamated. The promoters of Amalgamated had to take and carry all this stock. If they had not done so there would have been a sharp break in the market and Amalgamated would have been pronounced a failure at the start. This was a heavy strain upon the promoters which was greatly increased when England began to sell copper for future delivery, believing that it had reached the highest price. The Amalgamated had to take all the copper offered. The task was most difficult, even for the Standard Oil interests with the

<sup>1</sup> "United States Investor," October 21, 1899.

support of their own banks and trust companies, and it was reported that they were forced to sell \$20,000,000 of gilt edged securities in the open market to obtain cash for margins."<sup>1</sup>

The condition of the industrial market during the fall of 1899 may be shown by another quotation from the "Investor."

"This has been another bad week for the coppers, and the market has presented an even more demoralized appearance than it did last week. There is scarcely any support, and the least pressure to sell causes prices to recede. A considerable amount of long stock has been unloaded by tired and disgusted holders, and the market has continued to sag until it has reached the lowest level seen this year. A feeling of uneasiness lest the price may break badly at any time, has evidently seized a good many stockholders in the coppers, and, frightened at the outlook, they have hastened to get out. It does not tend to increase their confidence, to see the prices of the shares in which the Standard Oil magnates are interested decline as pronouncedly as the others. They are beginning to realize that they have been misled, deceived, hoodwinked, that their credulity has been played upon."<sup>2</sup>

These "tired and disgusted holders" were mainly the speculators who were tired and disgusted with repeated calls for margins. Many of these have paid for the stock outright and now hold it for an investment. Others are still being carried by the brokers.

These quotations refer to the condition of the underwriters in October, 1899. It is not often that such pessimistic predictions have so speedy a fulfillment. The panic of December, 1899, was an "underwriters' panic" and is so remembered. It was brought on by the very cause which has been here indicated. The underwriters were loaded up with unsalable securities, and, when interest rates went up, they could no longer bear the strain. In order to save themselves they threw overboard large blocks of stock, both bad and good, the innocent indeed suffering in the heavy decline

<sup>1</sup> "United States Investor," September 2, 1899. (Abstract.)

<sup>2</sup> "United States Investor," October 28, 1899.

along with the guilty. The two most important failures, those of the Produce Exchange Company, of New York, and the Globe National Bank, of Boston, were directly due to loans made on trust stocks, the first mentioned mainly on United States Flour Milling, and the second on Copper. The stock market has not yet recovered from the effects of the underwriters' panic which frightened the speculator away from the game. In this effect it resembled a police raid upon a gambling house. Legitimate investment has also suffered from the overspeculation in industrials. Such a panic, however, may be expected after every period of inflation. It is one of the penalties of progress.

VI. *Preferred stock in its relations to common stock:* The common stock, it is safe to say, will in the great majority of cases, be almost obliterated. In this it differs from the stock of most speculative enterprises, some of which are always likely to succeed. Hardly any of the trust common stock, however, can be expected, for a long time to come, to pay large dividends, and it will be fortunate even to escape the expurgating process of reorganization. The reason is that large amounts of preferred stock have been placed before the common to soak up and absorb all the fortuitous gains which might possibly come to the junior security. The wording of one of the charters in regard to preferred stock will introduce a description of the method by which it is possible to altogether destroy the interest of the unlucky holder of common stock. The extract is taken from the charter of the American Steel and Wire Company of New Jersey, and is typical of similar provisions in other charters:

"The holders of preferred stock shall be entitled to receive in each year out of the surplus net profits of the corporation a fixed yearly dividend of seven per centum, payable quarterly before any dividend shall be set apart or paid to the common stock, but shall not be entitled to any further dividend or share of profits. The dividends upon the preferred stock shall be cumulative, so that if in any year divi-

<sup>1</sup> "United States Investor" October 28, 1890.

dends amounting to seven per cent per annum are not paid on the preferred stock, the deficiency is payable subsequently before any dividends are set apart or paid on the common stock. In case of liquidation or dissolution of the corporation, the holders of preferred stock will be entitled to be paid in full, both the principal of their shares and the accrued interest charge, before any amount is paid to the holders of common stock; but after the payment of any such liquidation or dissolution to the holders of the common stock of its par value, the remaining assets shall be divided equally among the holders of both classes of capital stock."<sup>1</sup>

Nearly every trust issues preferred stock, and out of one hundred and two issues during the first six months of 1899, all but sixteen had the cumulative feature. It is this cumulative feature which renders the case of the common stock holder altogether hopeless. Not only is the preferred stock holder insured a high rate of return before anything is paid on the common stock, but if, for any reason, his preferred dividends should not be earned, they accumulate to his credit and constitute a claim against the company, which must be paid when prosperity returns, before the common stock holder gets a penny of return. This amounts to saying that, after the first season of depression, the common stock holder will get nothing at all, for it is hardly reasonable to expect a seven per cent rate of net earnings from the majority of the trusts year in and year out. Some bad years must be experienced by every industry, and with but one issue of stock the losses of depression would be offset by the higher gains of prosperity. Not so, however, when common stock is yoked with cumulative preferred. Then there is no hope for the common stock holder. All extra earnings must be devoted to paying up overdue claims of the preferred. It is only necessary to refer to United States Leather with unpaid preferred dividends of 31 per cent, Tennessee Coal and Iron, 40 per cent, and Colorado Fuel and Iron, 28 per cent, to show the significance of this cumulative provision.

<sup>1</sup> "Commercial and Financial Chronicle," vol. 68, p. 377.

The issue of cumulative preferred stock is no longer recognized as good finance. Very few issues of railway preferred stock contain this provision. Not only this, but even preferred stock, which is non-cumulative in the great majority of cases, has only been issued in reorganizations, where it is substituted for bonds, being only one grade inferior to them but releasing the road from fixed charges. In original issues of railway stock it is very unusual to find the preferred feature. It was formerly employed in reorganizations, but it is so manifestly incompatible with the maintenance of any value in the common stock that it has been by general consent abandoned. Its recrudescence in the industrial charters was due to the haste and fury with which the movement toward consolidation was carried through. It was necessary for the promoter to take the manufacturers by storm, and to this end the cumulative feature was offered as an assurance that they would be perfectly secure in entering the trust. The common stockholder was to take all the risk. Publicity, it will be observed, will not improve this situation. Nothing is more public than Cumulative Preferred.

*Diversion of earnings from common stock.*—But there are other methods available to divert earnings from common stock to the benefit of preferred. Corporation dividends are payable only when, "in the judgment of the directors," they have been earned. If the directors happen to represent the preferred stock,—and this, be it noted, is the general situation, preferred stockholders, that is to say, the original owners of the constituent plants having generally retained or purchased enough common stock to give them a majority,—in such a situation, it is only necessary for the directors to decide that the interests of the company require a larger "working capital" or additional "capital expenditure," or a "larger surplus" to appropriate to the purpose of strengthening their own holdings all the gains of exceptional prosperity which would naturally go to the common. This is the

usual method where large dividends on the common have in some cases been earned. We should acquit the managers of any sinister designs on the common stock as stock. Their antagonism is only towards the holders thereof. If they were perfectly certain that the preferred dividends would be earned, and that something would always remain for the common, they would retain the common or buy it in after depressing its value. But there is no such assurance. The time of adversity threatens, when competition must be met and low prices endured. The preferred stockholders, therefore, set to work to strengthen their position, and to make their dividends more secure by diverting, to their own use, through a perfectly legal and public channel, the surplus earnings. Every dollar which they can put into permanent improvements, new machinery, stores of raw material, or the purchase of competition, is so much gained for the preferred stock. It adds greater strength to the company and insures a higher average of earnings. The methods of the International Paper Company illustrate this practice. This company was organized with twenty-five millions of preferred stock and twenty millions of common. It included seventeen plants which manufactured, according to its own statement, practically all the newspaper consumed east of Chicago. A dividend of one-fourth per cent on the common stock was declared in November, 1898, and all went well with the company until February 4, 1899, when it was announced that there had been acquired fourteen additional pulp and paper manufacturing concerns which had been competing with it. To acquire these concerns some cash had to be expended and additional securities were issued. Some \$60,000 or .3 of 1 per cent was paid on the common stock, which immediately fell from 65 in January to 40 in June. On August 5 President Chisholm, in response to an inquiry of an anxious holder of common stock as to the prospect of his ever getting anything from his investment, stated publicly that "the condition of the company is ex-

tremely satisfactory. Its profits are large and its future assured." This was extremely gratifying and International Paper went up  $3\frac{1}{2}$  points. But the hopes of the common stockholders were doomed to disappointment. At the annual meeting on September 2d the announcement was made that the company had made a large expenditure for improvements on new mills, etc., and was now engaged in building a factory with an output of 10,000,000 paper bags. During the year the company had established a number of agencies abroad and had had no difficulty in disposing of its entire output. The dividends amounted to \$1,786,206, of which \$1,500,000 went to the preferred stock, 6 per cent and \$286,000 or 1.4 per cent to the common stock. The statement was very satisfactory to everybody except the common stockholder. International Paper common immediately fell to 31 and by November, 1899, it was down to 25, and now stands at 19.<sup>1</sup>

Another method of converting earnings could be pursued by the managers which would involve the destruction of the company for their own benefit. This would be to incur a floating debt for working expenses, to pay dividends which had not been earned, and by thus raising the value unload the stock upon the unthinking investor, who would then pass through the ordeal of a reorganization for the benefit of the creditors. This was actually done in the case of the National Cordage, in 1893, and some of the recent difficulties of American Malting arouse suspicions of a similar attempt to wreck this company.<sup>2</sup> Financial opinion, however, which it is not wise in this day to brave, so strongly condemns this revival of the piratical methods of Fiske and Gould that actual wrecking will be rare. Some of the enterprises of

<sup>1</sup> "Commercial and Financial Chronicle," September 16, 1899. A director thus explained the passing of a common stock dividend: "We are realizing greater profits than ever before in our history, but we felt that the money earned could be better used for improvements and the like and hence our action."

<sup>2</sup> "Commercial and Financial Chronicle," March 10, 1900. The directors had incurred a floating debt of \$3,000,000, mainly for "working expenses."

Mr. Thomas MacIntyre, who fathered Brooklyn Wharf and Warehouse and United States Flour Milling, have, however, been open to the suspicion of wrecking methods. The following extract from the affidavit of Mrs. Ora M. Jewell, in her suit to compel the restoration of the shares of Hecker, Jones and Newell, which she had deposited with Mr. MacIntyre in exchange for an interest in the United States Flour Milling Company, reveals with some distinctness the opinion of an insider in regard to the methods of this promoter:

"Deponent is informed and believes that said MacIntyre interested himself in the plan for the purpose of abstracting from the company to be formed the promoter's proceeds, without regard to the original holders of the stocks and bonds and the new purchasers thereof. That said MacIntyre tried to induce various mills to go into the scheme according to the agreement of August 22, viz., the Washburn-Pillsbury and the Washburn-Crosby Mills, and failing to induce them to go into it, that he determined, nevertheless, to push through the scheme and not to lose his ill-gotten gains.

"That said MacIntyre was one of the parties behind the circular or prospectus of May 13, 1899. . . . That said prospectus contains misstatements, misrepresentations and evasions, and that said MacIntyre became the treasurer of the new company, and has finally succeeded in wrecking it so that it is now in the hands of a receiver admittedly insolvent, and that said MacIntyre is now seeking through a reorganization agreement to perpetuate his control and methods, and that finally, if the relief prayed for by this plaintiff be not granted, the reorganization agreement may become operative and the plaintiff's securities still further removed from her control."

Such cases as these—and the promoter was here apparently guilty of the grossest misrepresentation—are abnormal and do not afford a safe guide to the future policy of the trusts. It is all well enough to fleece the public, that is expected, but violation of financial ethics "between friends" is now generally condemned, and, as Mr. MacLeod discovered in 1893 when ousted from the receivership of the Reading Railway Company, is often visited with condign punishment.



*Future stability of the industrials*—The preferred stock of the trusts is reasonably certain to survive, although it will have been perpetuated at dreary cost to the unlucky holder of common. At the present time indeed preferred industrials bear a low value, much lower than the value of railway stocks. This is shown by the following table, which contrasts the value on July 13, 1900, of leading issues of preferred industrials whose dividends have been fully paid, with the value of railroad stocks whose return is as large in some cases, but whose security is absolute:

Industrials.	Rate of One Dividend, 1899.	Value.
American Car and Foundry . . . . .	7	64½
American Ice . . . . .	6	65
American Linseed Oil . . . . .	7	53⅝
American Smelting and Refining . . . . .	7	88 1-16
American Steel and Wire . . . . .	7	72 1-16
American Steel Hoop . . . . .	7	68½
American Tin Plate . . . . .	7	75
Continental Tobacco . . . . .	7	25½
Federal Steel . . . . .	6	65⅝
International Paper . . . . .	6	65
National Steel . . . . .	7	84½
National Tube . . . . .	7	90 1-16
Republic Iron and Steel . . . . .	7	54
United States Leather . . . . .	7	68⅛
United States Rubber . . . . .	8	90½
Railroads.	Rate of Dividend, 1899.	Value.
Chicago, Burlington & Quincy . . . . .	6	124¾
Chicago, Milwaukee & St. Paul (Pref.) . . . . .	7	170½
Chicago & Northwestern (Pref.) . . . . .	7	197
Chicago, Rock Island & Pacific . . . . .	5	106½
Great Northern (Pref.) . . . . .	7	152¾
Illinois Central . . . . .	5	117⅝
Lake Shore & Michigan Southern . . . . .	7	210
Louisville & Nashville . . . . .	3½	73 3-16
Michigan Central . . . . .	—	106
New York Central . . . . .	4	130 1-16
New York, New Haven & Hartford . . . . .	8	212
Pennsylvania . . . . .	5	128

The railroad stocks are investment securities. Their high value is due to the fact that they are strongly held and eagerly sought for, while only a small amount comes into the market. The industrials, on the other hand, owing to the uncertainty which clouds their future, especially the fear of hostile legislation, are loosely held and sold in large amounts on every advance. This condition will probably soon pass away. There is no reason to expect any drastic legislation against the trusts. Just at this time people are stirred up against them, but the business interests of the United States are too deeply concerned in their maintenance, and their securities are too widely held, for this agitation ever seriously to threaten their existence. After all, the higher average price which great companies can exact, is a small burden compared with the greater stability and constancy which they introduce into industry, and the check which they impose upon speculative construction in the lines of industry which they dominate. It should not be forgotten that the panic of 1873 was due to the construction of railroads with borrowed money, and the panic of 1893 was caused, in large part, by speculative construction of manufacturing plants on the same basis. It will not be so easy in the future to borrow money to compete with \$100,000,000 of capital. As for the trusts themselves, just as the railroads have come to do, they will probably adopt the safe and conservative policy of making improvements out of net earnings and refusing, unless it plainly results in an increase of productive power, to incur debt when debt can be avoided.

It should not be forgotten, in this connection, that the trusts have no debts to speak of, and that they therefore start with a great advantage. The fact of their small indebtedness has already been set forth. The common stock buyer at heavy cost to himself, has performed a most valuable service for the community in that he has paid off the mortgages on most of the plants, and has placed them in a position

where, with ordinary caution, they are safe from bankruptcy. A man who is out of debt cannot become a bankrupt. This again inclines to the opinion that the trusts will powerfully contribute to insure the financial stability of American industry.

At present, it must be admitted, they contain a great deal of dead material,—antiquated machinery and worn-out plants, purchased perhaps at an excessive value. These will be weeded out, as they would have been, only more quickly, under the old system of competition. This done, there will remain a number of strong companies, which will exercise the same wholesome control over manufacturing industry that the railroads do over the business of transportation. Their securities will offer as safe investment as any now held by the savings banks. With increasing stability of value and the growth of a settled investment interest in their securities, greater frankness will characterize their reports. The railroads themselves have been a long time in learning that frankness is the wise policy, and the trusts may be expected, in the same way, to enlarge their annual reports, and to publish weekly and monthly statements of net earnings. So long as the stocks are wanted for speculation, however, secrecy of management will be the rule, and it would be unkind to the margin speculators to do them good “whether they will or not” by settling the value of the shares with which they wish to gamble, and so confiscating, as it were, the tools of the trade. It may indeed happen that competition will arise and that competitors may have to be bought or crushed out; but this necessity is only a slight cloud in the sky of promise.

One measure only is necessary before the conditions of stability can be secured. The common stock capitalization must be reduced. Its low value is a constant menace to the financial stability of the industrials. There is danger lest some enterprising financier may buy up enough stock to give him a majority in the board of directors. He might then proceed

to use up the surplus in paying dividends on the common stock; incur floating debt if necessary; run the stock up to a high value, and sell out, leaving the company to the creditors and the receiver. This was done repeatedly in the case of the stock of reorganized railroads before the voting trust was devised to secure the stock until the payment of dividends should so raise its value, that it could be released without danger to the property. The trusts are just now in the same condition. The low priced stock is a constant temptation to the wrecker, and the capitalization must be reduced or in some way protected. The voting trust has been suggested. The common stock of the Distilling Company of America has been placed in such control, "in order to solidify the different interests and to insure conservative management," but a safer plan will be to reduce the common stock. By no possibility can dividends be paid upon its present amount, and a voting trust is only warranted when the early payment of dividends may be expected. It is not intended by instituting a voting trust to hold the stock in perpetual duration. A movement has already begun in this direction of reducing the capitalization. The directors of the Distilling Company of America have recommended the cancellation of unissued common and preferred stock to the amount of \$20,000,000. American Smelting and Refining has reduced the preferred to a similar amount. American Steel and Wire has placed its common stock on a 7 per cent basis. It will probably not be difficult to arrange for these reductions. Common stockholders, many of them, have purchased on the decline and a reduction of 50 per cent in the holdings, provided that dividends were paid on what remained, would still give them a good return on the actual investment. Then with the removal of the cumulative feature from the preferred and the assurance of legal security to the companies, the industrials will be firmly placed upon an investment basis. By that time, however, colonial enterprises will be ready for sale, and the

speculative investor will once more be called upon to bear the burden of another industrial advance, by turning over his savings, without much prospect of return, to the same men who have repeatedly mishandled him in the past.

EDWARD SHERWOOD MEADE.

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## LAW AND PRACTICE OF THE UNITED STATES IN THE ACQUISITION AND GOVERNMENT OF DEPENDENT TERRITORY.

In the following paper I wish to consider two questions :  
(1) What is the basis in constitutional law for the acquisition and government of dependent territory by the United States? (2) Has the federal government, as a matter of practice, conformed to the law in these two respects?

1. *Law: (a) acquisition.* There is no clause in the constitution which directly refers to the acquisition of territory by the United States ; the right to acquire territory is neither expressly given nor expressly denied. It has generally been assumed, nevertheless, that the right exists because it is one of the rights inherent in a sovereign state, and the framers of the constitution, therefore, had they intended to deny the power to the government which they created, would have inserted in the constitution a specific statement to that effect. No one but Jefferson apparently, ever thought it necessary to resort to a constitutional amendment for the purpose of legalizing acquisitions of territory, and even he gave up the idea after vainly urging its necessity, during the summer of 1803. The theory which the leaders of Jefferson's party put forward to justify the acquisition of Louisiana was that the constitution, though it did not *directly* give the right to acquire new territory, did so *indirectly*, through the treaty making power and the war power. Twenty-five years later the supreme court, speaking through Justice Marshall, took exactly the same view, in the case of the American Insurance Co. *v.* Canter.<sup>1</sup> "The constitution confers absolutely on the government of the Union the powers of making war and of making treaties ;

<sup>1</sup> 1 Pet. 542.

consequently that government possesses the power of acquiring territory either by conquest or by treaty." This decision has never been reversed. A modification of it was attempted in the case of Dred Scott, but as that portion of the opinion is generally agreed to have been an *obiter dictum*, it will be better to omit the case of Dred Scott from further consideration, spite of the fact that it contains the most exhaustive discussion of the whole subject of the acquisition and government of territory to be found in the entire range of judicial decisions.<sup>1</sup> On the other hand the decision of Justice Marshall has been repeatedly confirmed by decisions before and since the time of Dred Scott. It may be confidently asserted therefore, with little fear of contradiction, that the law of the acquisition of territory by the United States is this: The federal government may acquire territory by treaty or by conquest.

(b) *Government.* The question of the right to govern dependent territory does not arise, because this right is granted to the federal government, in terms, by the constitution.<sup>2</sup> "Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." The question here is not may Congress govern the territories, but *how* may it govern them.

This on the face of it would seem, perhaps, an easy question to decide. The grant of power to Congress seems to be plenary. Shall we not answer, therefore, that Congress may govern the territory which has been acquired, in any manner it desires, absolutely and without limit? But the question is not so simple. There are in the constitution certain specified things which Congress is not permitted to do: Congress may not pass an *ex post facto* law, or a bill of attainder, or authorize the trial of a person accused of crime, except by a jury. There are many other things which Con-

<sup>1</sup> 19 How. 393.

<sup>2</sup> Constitution, IV, 3.

gress is in terms forbidden to do. Taken together, these prohibitions constitute the realm of liberty, within which the sovereign power of the state, speaking through the constitution, frees the individual from all interference by the federal government. Now, the core of the question at issue is this: Does this realm of liberty exist for the individual within the states and territories, or only within the states? Does the constitution follow Congress into the territories, or when Congress steps into the territories, does it divest itself of all restraint upon its power to legislate? Is there any part of our political system in which the constitution is not the law of the land? The constitution itself says, and no one denies, that it was ordained and established for the United States of America. At bottom, therefore, the question we have to decide here is, what is the legal (not the historical or the logical) meaning of the term United States. If it means merely the states united, Congress may legally pass bills of attainder and *ex post facto* laws for the territories; if it means the states united and all other territory over which the federal government exercises jurisdiction, Congress may not legally do these things or any of those things which it is specifically forbidden to do by the constitution.

The term United States is not defined in the constitution. It is sometimes used in the sense of the states united,<sup>1</sup> and sometimes in the broader sense,<sup>2</sup> but from the constitution itself no decisive answer can be obtained to the question, what does the term United States mean. The only recourse, therefore, is to the supreme court; the interpretation which it puts upon the term must be decisive of its legal meaning. The leading case is that of *Loughborough and Blake*,<sup>3</sup> decided in 1820. "The term United States," said Justice Marshall, "is the name given to our great republic which

<sup>1</sup> See article in *Review of Reviews* for January, 1899. H. P. Judson.

<sup>2</sup> See Dependencies and Protectorates, *Political Science Quarterly*, March, 1899.

<sup>3</sup> 5 Wheat. 317.



is composed of states and territories. The District of Columbia or the territory west of the Missouri, is not less within the United States than Maryland or Pennsylvania.' Omitting from consideration the case of Dred Scott for reasons already mentioned, it will be sufficient to refer to the case of *Cross v. Harrison*, in which this definition of the term United States was repeated specifically,<sup>1</sup> and to *Clarke v. Brazadone*,<sup>2</sup> *Clinton v. Englebrecht*,<sup>3</sup> and *ex parte Bollman*,<sup>4</sup> in which this definition of the term United States is clearly assumed as the basis of the decision in each case. In view of these decisions it is believed that the term United States has only one meaning in our constitutional law, and that is this: all of the territory under the jurisdiction of the federal government.

If the United States includes all dependent territory, and if the constitution was made for the United States, it is clear that Congress in governing the territories is limited by all of the constitutional immunities which are absolute as against the federal government. But although this is the logical inference from the proposition that the United States includes the territories as well as the states, the courts, in deciding the direct question of the power of Congress in the territories, may not always have drawn this inference. The question now is, therefore, has the court, in its decision of the specific question of the power of Congress in the territories, been consistent with its interpretation of the term United States. It may be stated at once that, with possible exceptions of minor importance, the court *has* taken the view which its interpretation of the term United States would seem to make necessary. It has always maintained that the constitution extends to the territories *ex proprio vigore*, and that Congress is, therefore, not absolute there, but that it has plenary legislative powers modified by the positive and

<sup>1</sup> 16 How. 164.

<sup>2</sup> 1 Cranch, 212.

<sup>3</sup> 13 Wall. 434.

<sup>4</sup> 4 Cranch, 75.

absolute limitations of the constitution. But the court has been chary of deciding the direct question. It has rarely been necessary indeed, because the constitution has invariably been extended to the territories by specific legislation, and in correcting territorial legislation on constitutional grounds, there has consequently been no necessity of touching upon the question as to whether it extends there of its own force. Obviously the latter question can come before the court only when some direct legislative act of Congress is in review. Fortunately such has been the case in a few instances.

One of the earliest and clearest statements of the power of Congress in the territories was made by Marshall in connection with his definition of the term United States:<sup>1</sup> "The District of Columbia or the territory west of the Missouri is not less within the United States than Maryland or Pennsylvania, and it is not less necessary on the principles of our constitution, that uniformity in the impositions of imposts, duties, and excises should be observed in the one than in the other." In the case of *Cross and Harrison*,<sup>2</sup> after interpreting the term United States to include the territories, it was stated that, "the right claimed to land foreign goods within the United States at any point outside of a collection district, *if allowed*, would be a violation of that provision in the constitution which enjoins that all duties, imposts and excises shall be uniform within the United States." But the fullest and most explicit statement of the power of Congress in the territories, is to be found in the case of *Murphy v. Ramsey*, decided in 1884.<sup>3</sup> The question at issue was the law of Congress which made polygamy a crime and deprived of the suffrage those citizens of the territories who were guilty of it. In considering the power of Congress to pass such a law for the territories the court said: "The

<sup>1</sup> *Loughborough v. Blake*. 5 Wheat. 317.

<sup>2</sup> 16 How. 164.

<sup>3</sup> 114 U. S.

people of the United States, as sovereign owners of the national territories, have supreme power over them and their inhabitants. In the exercise of this sovereign dominion they are represented by the Government of the United States, to whom all the powers of government over that subject have been delegated, subject only to such restrictions as are expressed in the constitution, or are necessarily implied in its terms or in the purposes and objects of the power itself. . . . But in ordaining government for the territories, . . . all the discretion which belongs to legislative power is vested in Congress; and that extends, beyond all controversy, to determining by law, from time to time, the form of the local government in a particular territory and the qualifications of those who shall administer it. It rests with Congress to say whether, in a given case, any of the people resident in a territory, shall participate in the election of its officers or the making of its laws; and it may therefore take from them any right of suffrage it may have previously conferred. . . . The right of local self-government, as known to our system . . . belongs, under the constitution, to the states and the people thereof, by whom that constitution was ordained. . . . The personal and civil rights of the inhabitants of the territories are secured to them, as to other citizens, by the principles of constitutional liberty which restrain all the agencies of government, state and national; their political rights are franchises which they hold as privileges in the legislative discretion of the Congress of the United States." No clearer statement has been made in any case, and a different view has never been held, by the supreme court; on the other hand, the principle here laid down was foreshadowed in the earlier cases of the *National Bank v. Yankton County*,<sup>1</sup> and *Reynolds v. the United States*.<sup>2</sup>

Though clear in the belief that the constitution extends of

<sup>1</sup> 101 U. S.

<sup>2</sup> 98 U. S.

its own force to the territories, the courts have never clearly decided the precise moment at which the constitution begins to operate in newly acquired territory. In *Fleming v. Page*<sup>1</sup> the court took the position that conquered territory does not become a part of the United States until Congress establishes civil government there, and is not subject to the revenue laws of the United States until it has been erected into a collection district. It was asserted that this construction of the revenue laws had been uniformly given by the administrative department of the government. This view, however, seems in conflict with the idea that the constitution extends of its own force to the territories, for such a construction would practically mean that the constitution does not extend to the territories until Congress extends it there by legislation with reference to the collection of the revenue. It is also in conflict with a later decision in the case of *Cross v. Harrison*,<sup>2</sup> in which California was decided to have been a part of the United States from the moment the treaty of annexation was signed; and the collector, appointed under military government, was supported in collecting the duties of the act of 1846 as soon as he had news of the treaty, which was some time before civil government was established or the territory erected into a collection district.

In view of these decisions, the constitutional law of the United States, for the government of dependent territory, may be stated as follows: The term United States, includes states and territories. The constitution was made for the whole United States and extends of its own force over all newly acquired territory, at least as soon as civil government is established there; the constitution gives Congress plenary power of legislation in the territories, subject to the absolute limitations upon its power expressed in the constitution.

2. *Practice: (a) acquisition.* The practice of the United

<sup>1</sup> 4 How. 603.

<sup>2</sup> 16 How. 164.

States in acquiring territory may be briefly stated. Aside from the northwest and southwest territory, which was virtually a part of the United States when the present constitution was formed, Louisiana, Florida, Oregon, the Gadsden purchase, and Alaska, were acquired by treaty ; California and the north Mexican states, by conquest in the guise of a treaty ; Texas and Hawaii, by joint resolution of Congress, after an attempt to secure them by treaty had failed. The practice of the United States in acquiring territory has therefore conformed to the constitutional law on the subject in every case, save possibly that of Texas and Hawaii ; for the method by which these territories were acquired, it is believed, there is no basis, strictly speaking, in the constitutional law of the United States.

(b) *Government.* The question now to be discussed is this : Has Congress, in practice, governed the territories within the limitations which the court decisions lay down as necessarily binding ? First, however, it will be well to keep in mind the distinction, which the court drew so clearly in the case of *Murphy v. Ramsey*, between civil rights and political privileges in the territories. That undemocratic governments have been established in the territories does not mean that the privileges guaranteed in the constitution have been denied them. The undemocratic form of first grade territories established by the northwest ordinance, has been frequently referred to by various writers as proving the absolutism of Congress in the territories. This is certainly a misconception. Even those who contend that the constitution extends of its own force to the territories do not maintain that this guarantees the establishment of republican government there. The privileges which individuals enjoy as against the federal government are not political (with one exception, since the civil war) ; they are in the nature of personal immunities and property rights. It is not contended that the rule for interpreting the powers of Congress in the territories is the same as that for interpreting its powers in

the states. In the latter case the rule is that all powers not specifically granted to Congress or denied to the states are reserved to the states or to the people ; but in the territories Congress has been given general legislative power, and the rule for interpreting its powers (assuming that the constitution extends to the territories of its own force) is, that all powers not specifically denied to Congress are reserved to Congress. The only constitutional rights which the territories possess absolutely are defined in the absolute limitations upon the power of Congress. The right to establish undemocratic governments is not denied to Congress. The question, therefore, is not, has Congress denied to the inhabitants of the territories political privileges, but has it denied them the personal liberties and the property rights guaranteed to every individual against the federal government.

In treating this question it will be convenient to notice (1) the theory of its own power in the territories upon which Congress has acted, and (2) whether Congress has actually denied to the territories rights which, according to judicial interpretation, are secured by the constitution.

It may be stated confidently that the theory upon which Congress has generally, if not invariably, acted is the exact opposite of that which the supreme court has always maintained. Both have believed that the constitution was made for the United States; but the court has defined the United States to mean the states and territories, while Congress has defined the United States to mean the states alone. The former has concluded, therefore, that Congress does not rid itself of constitutional limitations when it steps into the territories; the latter has concluded that it does.

That this has been the theory upon which Congress has acted is clear from the fact that whenever new territory has been acquired, and civil governments established, the constitution and laws of the United States have been extended to it by specific legislative action. The revenue laws of the United States were extended to the northwest territory in

1794, to the territory acquired from France in 1804, to Florida in 1821, to Oregon in 1848, to California in 1849, and to Alaska in 1868. Practically every territorial act contains the provision that no law shall be passed by the local government which is contrary to the constitution, and in many instances more or less careful enumerations of personal and property rights are included in these acts as being reserved to the inhabitants, although the same rights are enumerated more fully in the constitution itself. Specific legislation by Congress extending the constitution to the territories, and granting them rights already named in the constitution, clearly shows that Congress believed these rights might have been denied, and that the constitution does not extend to the territories of its own force. The Louisiana debate, and the debate on the admission of Missouri, show this to have been the all but unanimous opinion; it was not until the growing strength of the North in Congress forced the southern Democrats to reconstruct their constitutional law that the opposite view, reflected in the Dred Scott decision, began to prevail; but this influence was only reactionary, and, from the point of view of territorial administration, never produced anything more effective than the non-descript theory of popular sovereignty.

But Congress may have acted upon the theory that the personal and property rights guaranteed in the constitution might legally be denied to the territories without, as a matter of fact, denying them. The question now under consideration is, what has Congress done in the territories which it might not have done had it held the same theory which the supreme court has held? In considering this question it will be convenient to notice: (1) the powers given by Congress to its agents, the local territorial governments; (2) the direct administrative legislation of Congress.

The first territorial government was created by the northwest ordinance of 1787.<sup>1</sup> It contained a compact securing

<sup>1</sup> Poore, "Charters and Constitutions," 429.

for the northwest territory personal and property rights nearly coextensive with those secured later in the present constitution. It also contained a clause forbidding the territorial government to do anything inconsistent with the articles of confederation or any subsequent alteration of them constitutionally made. It was clearly intended, therefore, that the articles of confederation should operate in the northwest territory so far as the local government was concerned. Now one of the early acts of the first Congress under the new government, in 1789, was an act adapting the northwest ordinance to the new constitution. Such alterations as were thought necessary or desirable to put the ordinance in the same relation to the constitution that it had sustained to the articles of confederation, were made. The provision just noticed was left unchanged, and it seems reasonable to assume that it was the intention to subject the territorial government to the constitution in precisely the same way it had been subjected to the articles of confederation. In view of this provision and the articles of compact, therefore, it cannot be said that the government established by the northwest ordinance denied at least any important right guaranteed by the constitution against the federal government. With slight modifications the ordinance was re-enacted for the territories of Indiana,<sup>1</sup> Illinois<sup>2</sup>, and Michigan;<sup>3</sup> with the exception of the slavery clause, for the original southwest territory;<sup>4</sup> for Mississippi<sup>5</sup> and Alabama;<sup>6</sup> and although an entirely new act was passed for the territory of Wisconsin in 1836,<sup>7</sup> it also contained a clause giving to the inhabitants all of the rights enumerated in the northwest ordinance, and extending the laws of the United States to the territory so far as applicable.

<sup>1</sup> Poore, "Charters and Constitutions," 1453.

<sup>2</sup> *Ibid.*, 435.

<sup>3</sup> Annals of Congress, 1804-05, p. 1659.

<sup>4</sup> *Ibid.*, 1789-91, p. 2225.

<sup>5</sup> *Ibid.*, Fifth Congress, iii, p. 3719.

<sup>6</sup> *Ibid.*, Fourteenth Congress, Second Session, 1310.

<sup>7</sup> Poore, "Charters and Constitutions," 2021.



The first act providing in any way for a government of the Louisiana territory was passed October 30, 1803.<sup>1</sup> It was not entitled an act for the government of Louisiana, but an act authorizing the President to *take possession* of Louisiana. It was merely temporary in its nature, and designed for the purpose of preserving order until Congress could provide a permanent civil government. It gave absolute freedom of action to the President, and authorized him to use the entire military power of the United States to maintain order. An essentially similar act was passed for Florida, March 3, 1821.<sup>2</sup> These acts have been referred to as evidencing a congressional policy of the extremest absolutism in the territories. But, strictly speaking, they should not be considered as a part of the congressional administration of the territories at all; they are in reality acts by which military government was established in ceded territory. At present the President might establish such temporary governmental authority with or without the authorization of Congress; but that means that the military powers of the President in our constitutional system were then much less clearly worked out than they have since become. For these reasons, therefore, it is believed that a review of the civil administration of the territories by Congress may justifiably omit these two acts from consideration; they represent the means then used to establish military government in ceded territory.

Civil government was first established in Louisiana in 1804.<sup>3</sup> The new acquisition was divided into the territory of Orleans and the district of Louisiana, the former comprising practically the present State of Louisiana, and the latter everything else. The government established in both regions was undemocratic, but neither was permitted to pass any law inconsistent with the constitution of the United States. The next year a new governmental act was passed

<sup>1</sup> Annals of Congress, Eighth Congress, First Session, 1245

<sup>2</sup> *Ibid.*, Sixteenth Congress, Second Session, 1809.

<sup>3</sup> *Ibid.*, Eighth Congress, First Session, 1293.

for the territory of Orleans,<sup>1</sup> and one which erected the district of Louisiana into the territory of Louisiana;<sup>2</sup> in both of them the same prohibition was placed upon the power of the local government. In 1812 the territory of Louisiana became the territory of Missouri under a new act,<sup>3</sup> which, besides the same prohibition, contained a rather elaborate enumeration of rights secured to the inhabitants. This territory, like the original northwest territory, was gradually divided into a number of territories as the vast region became more thickly settled; and in all of the subsequent territorial acts within the original Louisiana territory, the same clause was introduced forbidding any law inconsistent with the constitution of the United States. Civil government was first established in Florida in March, 1822.<sup>4</sup> It was based upon the Orleans act of 1804, but also contained an enumeration of civil rights similar to that in the Missouri act of 1812. It also contained the provision that all legislation must be consistent with the constitution of the United States. The Oregon act of 1848,<sup>5</sup> and the act for the territory of New Mexico of 1850,<sup>6</sup> contained similar provisions, as did the later acts by which the original Oregon and New Mexican territories were divided. California never had, strictly speaking, a territorial existence; and Alaska, organized under the act of 1884, does not possess a local legislature.<sup>7</sup>

From the above review of the powers of the local governments in the territories, it is clear that Congress has in every case limited these governments by all of the provisions of the constitution; the agents of Congress in the territories have not been permitted to disregard any constitutional limitation. Outside of the local governments, however, Congress has the right, which it has constantly exercised, of legisla-

<sup>1</sup> Annals of Congress, Second Session, 1674.

<sup>2</sup> *Ibid.*, 1684.

<sup>3</sup> *Ibid.*, Twelfth Congress, 2310.

<sup>4</sup> *Ibid.*, Seventeenth Congress, First Session, 2578.

<sup>5</sup> Poore, "Charters and Constitutions," 1491.

<sup>6</sup> Statutes at Large, ix, 446.

<sup>7</sup> *Ibid.*, xv, 240.

ting directly for the territories; and this direct legislation has no necessary connection with, and in case of conflict always supersedes, the territorial acts or constitutions. It is now necessary to consider some aspects of this direct administrative legislation.

For the purposes of the present paper, only those subjects of legislation are pertinent which refer to the positive prohibitions in the constitution upon the power of Congress. These subjects may all be grouped under two general heads: (1) personal liberties; (2) property rights. Has Congress denied these rights to the territories, as a matter of fact, notwithstanding it has held the theory that it might legally do so? Those constitutional provisions which I have grouped under personal liberties are of such a nature that legislation with respect to them has necessarily been left for the most part to the local legislatures; direct legislation by Congress has been very rare. Questions of general search warrant, excessive bail, fines, and punishments, unreasonable delay in trial, the form of indictment and trial, freedom of speech and of assembly, have never arisen in the territories in such a way as to call for direct legislation by Congress; nor, it is believed, has any bill of attainder or *ex post facto* law been passed by Congress for the territories, nor the privilege of the writ of *habeas corpus* suspended there within the meaning of the constitution as interpreted by the courts. Only one of the personal liberties has been the subject of direct legislation by Congress—that relating to religious freedom. Polygamy is claimed to be an integral part of the Mormon religion, but Congress has passed several laws making polygamy a crime in the territories, and visiting with severe penalties those found guilty of practicing it. But the court, while it stated that Congress might not violate the first amendment in the territories, held that marriage was a civil relation and not an attribute of religion in the meaning of the constitution, and that, consequently, the power of Congress over polygamy was coextensive with its power to define and

punish crime. The definition of crime, like that of property, is, outside of the states, determined by Congress, and the constitutional limitations referring to religion and to crime do not, therefore, in any way abridge the power of Congress to make polygamy a crime in the territories, and punish it accordingly. It is not believed that Congress has by any direct legislation denied to the inhabitants of the territories any of the personal liberties guaranteed in the constitution.

The property rights guaranteed in the constitution lend themselves more readily to direct congressional legislation than do the personal liberties. What is property? Property, in our political system, is determined by the common law, modified by legislation: within the states the modification can be made only by the state legislatures; outside of the states, only by Congress. Property in the territories, therefore, is anything (with one exception) which Congress makes property. The constitutional limitations upon Congress with respect to property are, that no one may be deprived of property without due process of law, nor shall private property be taken for public purposes without just compensation, nor duties, imposts and excises be levied, except they be uniform throughout the United States. Has Congress violated any of these provisions in the territories? The only important direct legislation by Congress, touching the subject, has been with reference to the revenue and slavery.

Until 1854 Congress pursued a consistent policy with reference to slavery in the territories. It always permitted it in the southern, and prohibited it in the northern territories; east of the Mississippi the line of division was the Ohio River, west of the Mississippi, the arbitrary line of  $36^{\circ} 30'$ . If slaves were property, the right of individuals in the territories in such property was abridged without due process of law. But the acts of Congress prohibiting slavery in the northern territories, may be interpreted as acts by which Congress defined property there anew, in so far as to exclude human beings: they may be considered as acts *about* a cer-

tain kind of property, or as acts which removed certain things from the category of property entirely. Practically they had the latter effect, and, looked at in this light, the constitutional limitations with respect to property rights can have no reference to this legislation at all.

As already indicated the all but uniform policy of Congress has been to make the revenue laws uniform for states and territories. The first tariff and internal revenue duties levied under the present constitution, were not levied or collected in the northwest and southwest territories until 1794. The reason was probably the practical one, that the revenue which might have been collected there, would scarcely more than have paid the cost of its collection. But by the act of June 5, 1794,<sup>1</sup> the President was authorized to provide for the collection of the internal revenue duties in the territories, by the erection of districts and the appointment of collectors. This was done; and one year later the attorney-general held that the act had the effect of extending all of the revenue laws, present and future, so far as applicable, to the territories. Technically, he said, all revenue laws had extended there from the first, but until collectors were appointed they could not be enforced there; officers once appointed, they became the legitimate agents for the collection of duties arising under all future acts of a general nature.<sup>2</sup> These suggestions were followed by the treasury department from that date. In like manner, on February 24, 1804, Congress, by a special act, extended the revenue laws of the United States, present and future, to the territory ceded by France, and prohibited any discrimination between the territory and other parts of the United States.<sup>3</sup> The revenue laws of the United States were similarly extended to Florida even before a civil government was established there.<sup>4</sup> The same policy

<sup>1</sup> *Annals of Congress*, 1793-95, p. 1457.

<sup>2</sup> Bradford's reply to St. Clair, June 19, 1795. *St. Clair Papers*, ii, 377.

<sup>3</sup> *Annals of Congress*, Eighth Congress, First Session, 1253.

<sup>4</sup> *Ibid.*, Sixteenth Congress, Second Session, p. 1809.

was pursued with reference to Oregon<sup>1</sup> (which, as organized under the act of 1848, included all of the territory west of the Louisiana purchase and north of the Mexican acquisition), with reference to California,<sup>2</sup> and also with reference to New Mexico which originally embraced what remained of the Mexican acquisition.<sup>3</sup> It is thus seen to have been the almost uniform policy of Congress to subject the territories to precisely the same imposts, duties, and excises, as the other parts of the United States. The only exception occurred in the earliest years of the republic; and it is well to note that in this one case the lack of uniformity had the effect, so far as it had any effect at all, not of denying any right to the inhabitants of the territories, but of granting them a privilege. In no case it is believed has any one of the territories been taxed at a different rate than the rest of the Union.

In summing up the subject it may be said concisely: (1) Congress may acquire territory by treaty or conquest, and has so acquired it in every instance save that of Texas and Hawaii; (2) Congress has all legislative power in the territories which is not specifically denied to it by the constitution, and, though always assuming that it was not limited by the constitution in any respect in the territories, has not, as a matter of practice, directly or indirectly overstepped those limitations.

CARL BECKER.

*State College, Pa., June, 1900.*

<sup>1</sup> Poore, "Charters and Constitutions," 1489, 1491.

<sup>2</sup> Statutes at Large, ix, 400.

<sup>3</sup> *Ibid.*, ix, 446.

## DRUNKENNESS AND THE WEATHER.

In this paper I have attempted to demonstrate, by empirical methods, certain fixed relations between definite weather conditions and the prevalence of drunkenness in the city of New York. In other words, the influence of the weather as a factor in the cosmical environment upon the prevalence of intoxication. The popular belief that conduct is to an extent influenced by sky, wind and the barometrical conditions is as old as the recorded history of human activities. The literary curiosities of "weather wisdom" are built upon it. Fiction has made full use of it, and there is hardly a modern school teacher who does not attribute certain epidemics of misconduct on the part of her charges, to weather conditions. Although such a belief has been widespread and of long standing, it has contained all the vagaries and contradictions of most popular fancies. Human beings differ so widely, that in weather influences it has been recognized that "what is one man's poison is another man's food," and that some have seemingly been entirely immune to their toxics. In order that a more definite knowledge of these influences might be had, I have undertaken a series of empirical studies in the psychology of the mass, one of which this paper comprises. Others have touched upon the effects of the weather upon the deportment of the pupils in the public schools, of the insane and of the inmates of the New York city penitentiary; upon the prevalence of the crime of assault and battery and of suicide, and upon the death-rate.

All of these crimes and misdemeanors were shown to be

<sup>1</sup> See "Conduct and the Weather;" Monograph Supplement, No. 10; "The Psychological Review;" "The Pedagogical Seminary," April, 1898; "The Scientific American Supplement," June 3, 1899; "Science," August 11, 1899; "Appleton's Popular Science Monthly," September, 1899; "Educational Review," February, 1900; "Nature," February 11, 1900, and "Suicide and the Weather," in an early number of "Popular Science Monthly."

influenced, to a marked extent, by the prevailing meteorological conditions. Seemingly we could almost predict from a look at the sky, the barometer and the thermometer, what the tranquillity of the school room or prison ward would be, or the freedom of the street from brawls and the business of the undertaker.

It is my intention in this paper to discuss only the seeming effect of the weather upon the prevalence of drunkenness, all the other classes of data mentioned above having been treated in articles alluded to in the foot-note.

At first thought there would seem to be very little connection between the prevalence of intoxication and the weather. Most of us can probably not recall a time when it has driven us to drink. Yet the influence of different weather states upon conduct has been proven so great by the other studies alluded to as to warrant some little expectation of positive results, even at the outset of this. With a great many people the occasional debauch is not a matter of mere caprice. It is not even by them a thing to be desired. The pleasures connected with it in no way compensate for the attendant hardships and miseries, both of body and mind. They struggle against it with an intensity unknown to those whose bodies have not been weakened by indulgence, and when the fight is finally lost it is because the allurements of the glass are stronger at the moment than at any previous time during the struggle, or the ability to withstand them less. The weather could not, with any degree of probability, influence the former. It is not beyond the bounds of reason to suppose that it might the latter, through affecting the vitality of the body together with its accompanying mental states, and it is for the purpose of throwing light upon this possibility, with its important bearing upon the drink problem, that the present study was undertaken.

Its exact method is as follows: From the records of the New York city police were copied the number of arrests for drunkenness within the city limits (present borough of Man-



hattan), for each day of the three years 1893-94-95: 63,117 in all. Of this number 44,495 were of males—for the sexes were tabulated separately—and are the only ones here considered. At the New York station of the United States weather bureau were then copied the mean temperature, barometer and humidity, the total movement of the wind, the character of the day, and the precipitation for each of the 1,095 days of those three years. Next, by a somewhat laborious process of tabulation, the exact number of arrests for drunkenness for days falling under each one of the fifty or more definite meteorological conditions shown by the accompanying illustrations, was ascertained. This being done, the average number of such arrests for days falling under each one of those conditions was compared with the normal daily number for the three years, and the excess or deficiency for each meteorological condition graphically shown by the illustration.

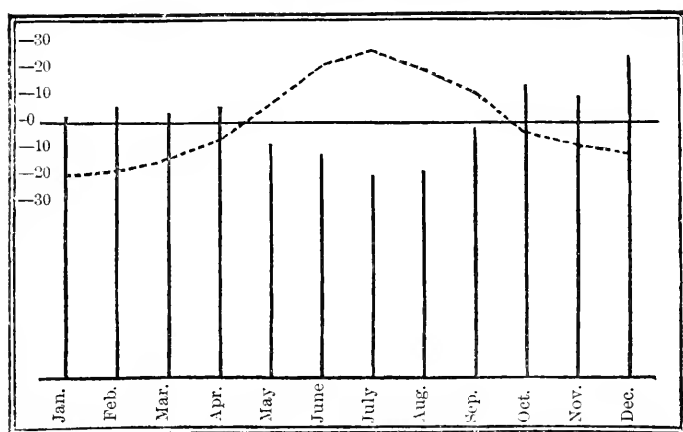
For example: for the three years there were 75 days having a mean temperature somewhere between  $50^{\circ}$  and  $55^{\circ}$  (Fahr.). On those same days there were recorded 3,484 arrests for drunkenness, or an average of 46. But the daily average for the three years was only 40.7, showing that drunkenness was excessive for those conditions of temperature. The exact percentage of excess, as shown by the relation between the two numbers, is 15, and is indicated in the proper place upon Fig. 2. This is the plan carried out in the determination of excess or deficiency for every one of the meteorological conditions considered. On each of the figures, the distance from the bottom to the horizontal line represents the normal, the distance from this line to the top of each of the ordinates, the excess or deficiency, which may be read in percentages by means of the scale at the left. The first figure shows the occurrence of drunkenness for the months of the year. A mere glance at it shows the marked peculiarity to be the deficiency for the hot summer months, and a corresponding excess for the colder ones of

winter, there being 47 per cent less for July than for December, with a somewhat gradual change from one to the other. These differences are too great to be ascribed to mere accident, though exactly what their causes may be is somewhat uncertain; in fact, an analysis of the conditions indicates the possibility of at least three. The first is the effect which certain holidays might have upon the occurrence of drunkenness. Undoubtedly some days of the year are made the occasion of a drunken debauch by persons so inclined, and Christmas is one of them. This would tend to increase the number of arrests for December. But the Fourth of July is perhaps just as much of a favorite for such diversion, a fact which would swell the numbers for July. This month, however, fails to show any such effect. In fact, a careful inspection of the daily record of arrests for drunkenness, although showing a slight increase for the festivals mentioned, proves it to be too small to account for the monthly showing. The excesses for the cold months are due to a large daily occurrence, pretty evenly distributed, and the deficiencies for the warm ones to the reverse conditions. Although November shows a considerable excess, I could not tell with certainty by an inspection of the records exactly which was election day, so slight was the increase in the number of arrests for it. It is true that the record for October may be influenced by the fact that the political campaign is at its height, but how much we cannot tell.

Another social condition which may affect the results, is the exit from the city for the summer, of many who are brought with some regularity during the other months, before the bar of the police court. Undoubtedly Coney Island—which was not within the city limits when the data for this study were taken—and many of the other shore-resorts form something of a safety-valve for the New York police during their season, but my study of assault and battery would lead me to believe that the influence of this exodus cannot be great. It would be reasonable to infer

that arrests for these crimes and for drunkenness would be made, for the most part, from the same social stratum, and that social conditions which would affect the prevalence of one of those crimes, would have the same influence upon the other. A moment's thought will be sufficient to show that the summer exit of the frequenters of the up-town clubs would not affect the police courts in the least, for they never get before its bar, no matter how often they are carried home unconscious in a cab. We are dealing only with those who get publicly drunk, and those are the ones who occasionally vary the monotony of a plain drunk with a fight. We could, then, with reason infer that if the public drunkards were gone in any considerable numbers, the public brawlers would be also. Yet this is precisely the reverse of what our study of assault has shown. Upon Fig. 1, I have shown by

FIG. 1.—*Monthly Occurrence.*



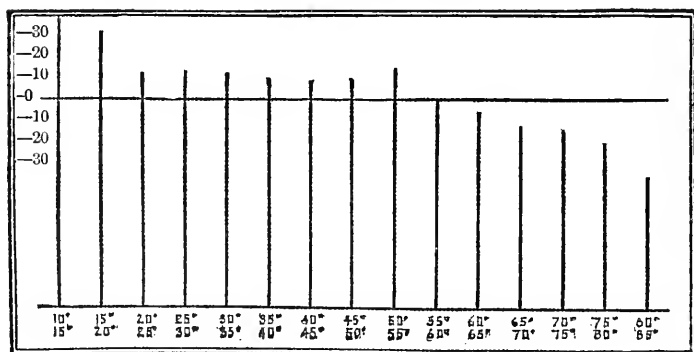
means of a curve in dotted lines, the occurrence of arrests for this crime for the same years. It shows as marked excesses for the warm months as we have deficiencies for drunkenness during that season, a fact which would lessen

the validity of, if not entirely negative the weight of any migration theory which might be brought to bear upon the problem under discussion.

The third hypothesis which might be promulgated is that of the direct influence of the peculiar meteorological conditions, and it seems to be the most plausible. Since, however, the remainder of this paper is made up of a discussion of these conditions, I will simply state here that the prevailing ones for the summer months for New York City are high temperatures, barometer and humidity slightly below normal, light winds and generally fair weather.

*Temperature.*—Fig. 2 shows in a very marked manner, a

FIG. 2.—*Temperature.*



seeming effect of differing conditions of temperature upon drunkenness. In explanation of it I would say that the exact relation between expectancy and occurrence was worked out for each of the temperature groups indicated at the bottom, and this relation shown for each group by the height of the ordinate above. Low temperatures made business for the police courts, and high ones lessened its labors. Of course, if our conclusions in the preceding paragraph on occurrence were erroneous and the deficiency in drunken-

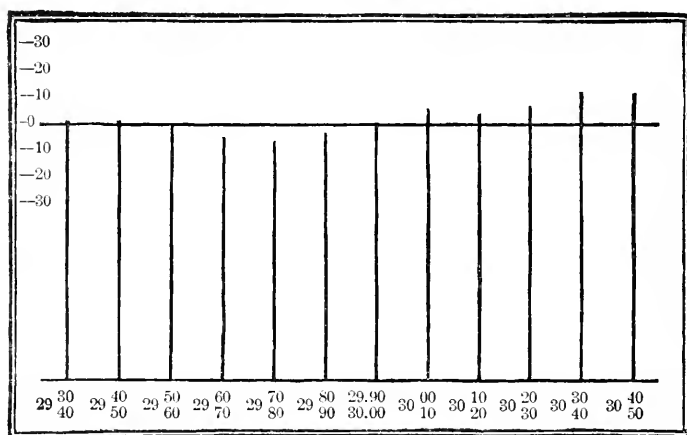
ness for the summer months was due to social, rather than meteorological influences, conclusions drawn from this figure would also be false. In that case, deficiencies for high temperatures shown here would be but concomitant variations. The summer is hot. If there be but few arrests for drunkenness during the summer, there can be but few for high temperatures. On the other hand, if high temperatures so affect the individual that less stimulant is desired than during those which are lower, we have here the cause of the peculiarities shown in Fig. 1. There are some reasons for believing that this is the case. In the first place, my other studies of weather effects have seemed to show that during moderately high temperatures the vitality of the body is relatively excessive, while for low temperatures it is deficient. These facts in themselves would affect the demand for stimulant. A "bracer" is taken when *needed*, and for many a "bracer" means a "drunk." We may, I believe, with justice conclude that many of the habitués of the police court as prisoners, struggle against their tendencies to drink, knowing the consequences. When vitality is excessive, they do so with success, for days and, perhaps, for weeks they are winners, but finally the time comes when the fight is too severe, and they succumb. That was on the day when vitality was at its lowest ebb, and the cold contributed to that condition. A few glasses of whiskey would remedy all that, and it did so. What cared the poor fellow what Arctic explorers have said about the effect of alcohol upon the system in the long run? He was cold; he was weak. The stimulant would give him immediate, though temporary, relief. He took it and our figure shows the result.

Perhaps another influence of different temperatures shown by our figure is through the kind of alcoholic beverage used. In hot weather a man drinks beer; in cold, whiskey. During the former conditions of temperature, the body demands large quantities of liquid, which, through the secretions of the skin and attendant evaporation, may reduce

the body temperature. Beer meets this requirement, and at the same time furnishes alcoholic stimulant, yet in quantities so small as to intoxicate only when taken inordinately. Yet, if our theory is correct, the condition of vitality is such that even this small amount more nearly meets the demands of the body than during the cold season, and consequent drunkenness is less frequent.

*Barometer.*—The facts shown by Fig. 3 are not so conclu-

FIG. 3.—*Barometer.*

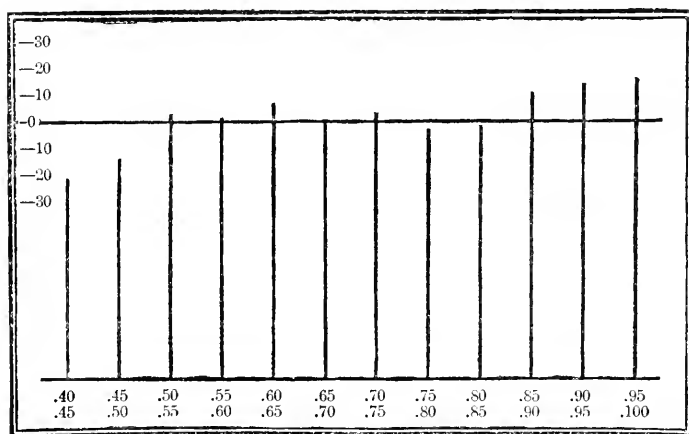


sive as the preceding. In it we have the prevalence of drunkenness for different conditions of the barometer. To generalize from it we may say that the excesses were for high readings of that instrument. It is not easy, with our present knowledge, to account for this. Both high and low conditions of the barometer are distributed pretty evenly throughout the year, so we cannot attribute it to any effect of the season. It is possible that it may be due to the effect of storms upon the vitality of the body, and the consequent demand for stimulant. The barometer is not normally high during periods of bad weather, but usually follows them pretty closely with a rise, and it may be that although the

“bracer” has been struggled against during the prevalence of a storm, at its close bodily conditions are such that the fight is given up, and a debauch follows. It is certain that the actual weight of the atmosphere, as indicated by the barometer, is not the influencing factor. The entire variation in the height of the mercury column for New York City is but little more than an inch, while in going to an altitude like that of Denver, Colo., a change of more than five times that amount is experienced without any noticeable influence upon conduct. The showing for this figure must, we think, be due to other weather conditions which vary with the barometer, yet what they are cannot be said with certainty. We may add that the seeming effect of different barometrical conditions upon the tendency to drink, is exactly the opposite of that upon the occurrence of misdemeanors in the public schools and penitentiary, of arrests for assault and battery and of suicide.

*Humidity.*—The fluctuations in the height of the ordinates upon Fig. 4, which shows the relation between drunk-

FIG 4.—*Humidity.*



eness and varying conditions of humidity, is very great; so much so as to make the curve a hard one to interpret. We have there shown, not only excesses in the number of arrests during high humidities (*i. e.*, during much moisture), but also during those which are lower than the normal. Yet in spite of its circumflexion, the general showing of the curve is an increase of drunkenness with an increase of humidity. This might with reason be expected. First, the seeming temperature of a cold day in winter is much lower when the humidity is great than when it is small, necessitating, perhaps, more stimulant to keep up the proper vitality under the former conditions than under the latter. Second, on a day on which the humidity is great in summer, evaporation from the surface of the body is less rapid, and, as a consequence, beer, the ordinary summer beverage, loses to an extent its cooling properties. A logical inference would be that less would be drunk with the consequent effect upon the prevalence of drunkenness.

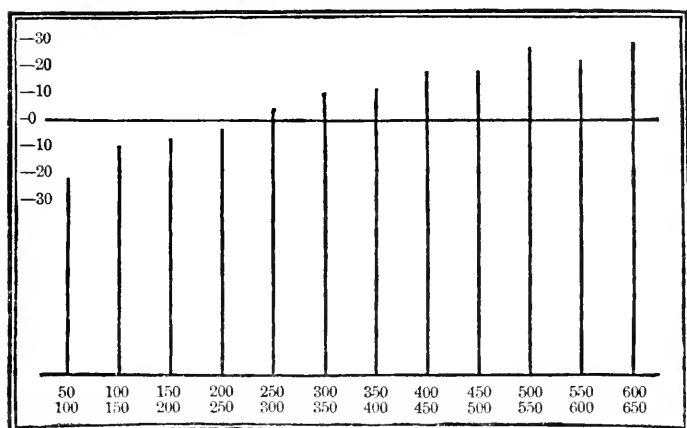
Beside these hypotheses based upon the relation between humidity and temperature, is one having to do more directly with that between the former conditions and the vitality of the body. The studies of weather-effects already alluded to have seemed to show beyond a doubt that vitality is greatest during weather states of small humidity. At such times, the death-rate is lower, and disorder of an active nature more prevalent. My studies have shown that then the electrical potential of the atmosphere is higher—itsself a stimulant without being an intoxicant—with the natural effect that less alcohol is needed, with the lessened danger of the police court.

*Wind.*—Fig. 5, with its row of ordinates regularly increasing in height, argues strongly that high winds are among the saloon keeper's best friends. The numbers beneath the individual figures show the total number of miles the wind blew for the days which, grouped, give the results shown graphically above.



From a deficiency of 23 per cent for conditions of practical calm, to an excess of 50 per cent for wind the velocity of a hurricane, the increase is very regular. In referring conditions of wind to those of temperature, the same can be

FIG. 5.—*Wind.*

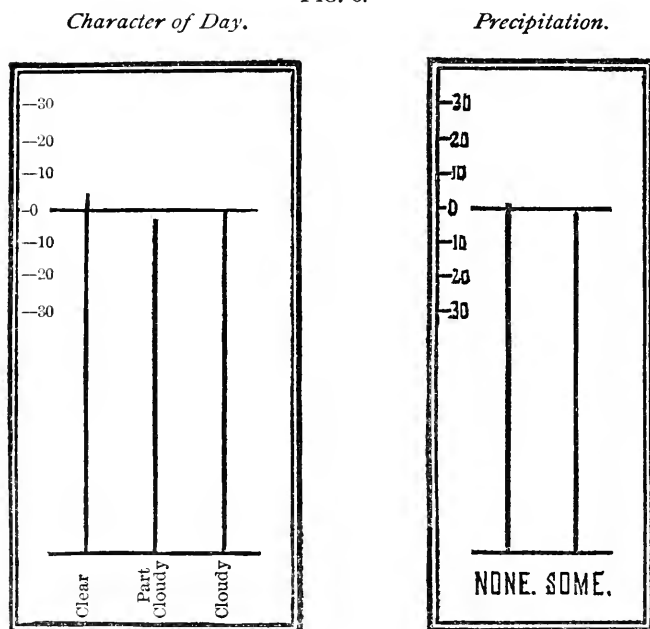


said in part for high winds that was for great humidities, namely, that they intensify the effects of cold. The effect of great heat is, however, usually modified by a movement of air, although evaporation from the surface of the body is augmented, and the demand for liquid refreshments increased. This latter fact would swell the consumption of beer at such times. Our figure seems to show that such is the case.

Upon Fig. 6 are shown the relative numbers of arrests for drunkenness upon days characterized by the United States Weather Bureau as "clear," "partly cloudy" and "cloudy." As so characterized, clear days are those upon which the sun is obscured for three-tenths or less of the time from sunrise to sunset. As partly cloudy when from four-tenths to seven-tenths (inclusive) of that time is obscured,

and as cloudy when more than that amount. Under precipitation, I have contrasted those days upon which there was rain or snow-fall in excess of .01 in. with those on which there was none, without taking into consideration the amount.

FIG. 6.



Considering the influence of some of the other meteorological conditions, as temperature and wind, the effect of these most noticeable differences in weather seems very slight. In fact, so slight as to come within the computed "probable error," and perhaps can only be taken as negative results. Such as they are too, they are contrary to what we should expect from a study of the other conditions and to our line of reasoning. The other conditions show excesses of drunkenness for debilitating weather states, and deficiencies for

those which are exhilarating. Here we have the reverse, for clear and dry days which are bracing give us excesses, though very slight ones, while partly cloudy and wet days show deficiencies. Cloudy days furnish exactly the normal number.

It is hardly worth while, however, to attempt to account for these anomalies since they are so small as to come within the probable error, and may or may not mean anything at all.

In conclusion, I would say that I recognize the limitations of this method of study. By its very nature each meteorological condition is treated as if the others were not at the same time potent. This fact would introduce no error unless two or more tended to vary simultaneously. In that case the effects of one might be imputed to another. If all tended to vary without fixed relation to one another the showing for each would be valid, and a careful study of weather fluctuations seems to show that this is largely the case. We recognize, too, that a study of drunkenness does not have quite the bearing upon the liquor question that one based upon the consumption of stimulants, as influenced by weather conditions, would have. We have argued that the latter affect to a recognizable degree the vitality of the body, and that deficiencies are compensated for by the use of alcohol in some of its forms. But in studying drunkenness we are missing entirely all those whose "bracers" did not lead on to a debauch. Where the feeling of depleted vitality led one man to the police court it probably led a hundred others to the sideboard or to the saloon for a drink, but of these we know nothing. It may be possible at some future time to base a study similar to this upon the daily output of some large city saloons, with striking results.

Certain it is that the great drink problem cannot be solved without having more scientific light thrown upon the psychophysiology of the mass. As long as people demand stimulant it will be obtainable. Lessen the demand and the

attendant suffering will keep pace with its decrease. We cannot hope to alter prevailing meteorological conditions were we convinced of their direct bearing upon the problem, but we can lessen their influence by shielding the unfortunate from their rigors, and by increasing in every possible way the normal vitality of the class which most needs it.

Who can say how largely the drink problem is one of better heated tenements, of warmer overcoats and of more nourishing food !

EDWIN G. DEXTER.

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## CULTURAL FACTORS IN THE CHINESE CRISIS.

The impending final meeting between the Orient and the Occident, of which the world has so suddenly become conscious, has long been foreboded in Western literature and philosophy. The intellectual treasures of India were first revealed to the Western mind when Sir William Jones made the masterpieces of Sanskrit literature accessible, and advanced the suggestions that led to the foundation of comparative philology, which has so deeply influenced all the branches of our learning in the "humanities." In the field of jurisprudence the work of Sir Henry Maine and Rudolf von Ihering bears witness to the mutual approach of the two civilizations. But it is especially the philosophy of the last half of the nineteenth century which bears the deep traces of Oriental influence. Schopenhauer, the representative thinker of the pessimistic and realistic period, derived his inspiration from the intellectual ideals of Buddhism, while Comte, Renan and Nietzsche adopted the Oriental conception of the caste structure of society as the only normal form. In the field of religion, entirely aside from the revival of Occultism, Eastern thought has exerted a deep influence, especially on the continent of Europe. The Parliament of Religions at Chicago offered the best opportunity to observe the mutual courtesy and respect that prevail between the more enlightened representatives of the great systems of belief. In art, Kipling has made the atmosphere of Oriental life familiar to Western readers—a strange paradox, as he himself is the most remarkable exponent of Western energy and progress. In a different manner, but with even more pervasive influence, Wagner's music, inspired by a pessimistic philosophy and expressive of truly Eastern luxuriance and sensuousness, has brought the European mind under the spell of Oriental feeling.

The Chinese crisis has advanced this approach between the oldest and the youngest civilizations to an entirely new phase. In India, so far the chief camping ground of the European in the East, there has been practically no amalgamation of races. With the constantly increasing facility of transportation, the residence of the English has become more and more temporary, so that the knowledge of native life, with which during the days of the East India Company the officials were thoroughly familiar, is now becoming rare among them ; they are mere temporary sojourners who in no way enter into the intimate life of the people. The Portuguese are the only European people who succeeded to some extent in assimilating the Hindus, intermarrying with them and leaving the impress of their religion and language in India, to last through centuries, even down to the present day. But the regions which they occupied and where they exerted their influence seem infinitesimal in the present era of colonial expansion. Nothing can be more superficial nor more alien to the true soul and spirit of popular life than the English civilization at present superimposed over the native society of India. In an entirely mechanical manner the Hindu *babu* acquires the knowledge necessary to pass the civil service examinations. Thus, it is well known that translations of Latin classics are generally memorized from beginning to end by the aspiring candidates. Their spirit does not enter into the work and hence the result is a rather shoddy civilization.

In China conditions are entirely different. The climate makes the permanent residence of white men possible and it admits of no doubt that the races will there mutually influence each other in the most far-reaching manner. Of prime importance in this connection is the entirely different basis of the Russian position in China from that of the British in India. Russia seeks a home for her teeming millions of farmers, who are ready and willing to work the soil with their own hands. Between the Cossacks and the Chinese

there existed great friendliness and mutual confidence before the war. The Russians are Oriental enough in their nature not to feel themselves above the peoples of the Far East, so that they fraternize with them and even undergo a partial assimilation. Russia's paramount importance in contemporary history is her position as chief mediator between the East and the West.

Japan is also eagerly striving to fill this rôle. The island kingdom has found the mechanism of European civilization very profitable. Her craving for social recognition among the nations has been satisfied. But, having opened the eyes of the world to the real weakness of China, she considers it an injustice that she should not be permitted to lead in the reformation of the ancient empire. She is confident that she knows the true needs of the Chinese better than the other nations, and while she is convinced of the hopeless corruption of the Chinese dynasty and political system, she thoroughly believes in the soundness and vigor of the mass of the people. Were she left free to carry out her aims she would introduce Western methods much more rapidly and completely than Russia, and especially in the field of politics she would support liberal reforms that could never be expected at the hands of the northern empire.

The Western governments are, in the Chinese question, animated chiefly by a desire for commercial opportunity and for the safety of industrial investments. They look upon civilization and religion as a commercial asset, and give the missionaries that ostentatious political protection which has aroused the opposition of the masses in China. If given the opportunity they would rapidly and radically transform Chinese institutions and civilization, without, however, understanding the true inner life of the people nor moving the depths of their spirit.

But it is China herself that is the essential factor in the problem. The principal elements of Chinese civilization which we have to consider in this connection are the Confu-

cian morality, the religions of Buddhism and Taoism, the system of state examinations, and the system of local government and guilds.

To anyone who reads the hackneyed moral sentiments that decorate the walls of Chinese public buildings, like the Tsung-li-yamên, Confucian morality will seem little better than a trite hypocrisy, a national "*sauver la face*." But though its ordinary precepts seem so commonplace, and though its influence seems to exhaust itself in an elaborate ceremoniousness, still its teachings on the personal relations form the very backbone of Chinese civilization. This is especially true of the command of filial piety and the absolute subjection of the younger to the older generation; the consequent unswerving reverence for the past which permeates all Chinese life, constitutes the real cohesive force in Chinese society. The Chinese people, though so scandalously lax in public morality, are absolutely honest and scrupulous in their dealings with intimates.

Buddhism and Taoism, so widely separate in original inspiration, have come to subserve the same needs in China. The religious nature of the Chinese is atrophied, they lack enthusiasm and fervor and their Confucianism is nothing more than a rationalistic system of social morality. The religion once inherent in Buddhism has become reduced to ceremonial observances and expiatory sacrifices little above the practices of pure paganism. The great Buddhist revival which is at present stirring India, Siam, and even Japan, is scarcely as yet felt in China. The mandarins especially consider themselves above religious belief, and are given to a cold rationalism which despises all religions alike as merely food for popular superstitions.

In the Chinese state examination system we find the theory of Plato's Republic put into practice. The rulers of the state are selected by a long and rigorous course of education, and when so selected they constitute not only the political government, but the uppermost social caste. Still



the institution is thoroughly democratic from the fact that the son of even the poorest family can, through industry and intellectual brilliance, rise to the highest positions of influence. It has been argued that the present corruption and inefficiency of the Chinese government invalidates the principle of civil service examinations. Such a contention utterly overlooks the fact that the matter in which the Chinese officials are examined is absolutely unpractical, and that the examinations test not the understanding and grasp, but the memory of the candidate. Notwithstanding the abuses that are at present rife in the system, it still constitutes the unifying mechanism of the empire, and it could easily be utilized as the lever of reform. Kwang Su recognized this, and all his reformatory edicts were educational in their character. Had he not been deserted in the hour of need by the British government, who had allowed themselves, at this most inopportune time, to become involved in the South African struggle, the educational system of China might before now have worked wonders in spreading Western ideas, and the chasm into which China has fallen might have been bridged over.

The central government does not weigh heavily upon the people. Taxes are inconsiderable, and there is little general legislation. Most of the government is carried on by the local organs, in which the clan and the family are of paramount importance. The subjection of all the members of the family to their elders and the absolute responsibility of the latter for the good conduct of their charges constitute the chief guarantees for the maintenance of public security. While there is therefore no individualism in China, the unit of society being not the individual but the family, there is a good deal of local self-government, in which the elders have a decisive voice. Analogous to the clan relationship are the guilds of merchants and artisans. To their influence the high character of Chinese commercial honesty and the excellence of the products of Chinese industry are largely

due. Moreover, their customs and regulations furnish a substitute for the commercial law, which is practically non-existent. Most cases involving contracts or transfers of property are arbitrated before the guild tribunals, and an appeal to mandarin justice is avoided by business men. Foreign merchants are thus generally left to rely on the promise of their Chinese customers, unenforced by a legal sanction. Though repeated efforts have been made by the British to secure a commercial code in China, the law is still in the condition of the law merchant of mediæval Europe.

The great question at the present time is, how will Chinese civilization be affected by the new forces that are crowding in upon it on all sides. For the time being, the current of feeling among the Chinese is against all change, against all foreigners, and all foreign influences. But the present revolt is more than a reactionary demonstration. The entire Chinese people, from the most powerful mandarins to the lowliest laborers, are in a state of unrest, excitement and panic. The Manchu party has succeeded at present in directing this unrest against the foreigners, but it might as easily have been aimed against the Manchu régime, or even against all law and order; for with all their respect for settled relations the Chinese are prone to become distracted when they feel that things are going wrong. We cannot withhold our sympathy from a people whose ideal is a peaceful and orderly civilization and who have the highest social virtues, but who are driven to a frenzy by misgovernment and the greed of foreign exploitation.

The actual revolt has been confined to the ignorant lower classes. The educated Chinese, especially in the south, are not at bottom averse to reform and progress. Should the revolt be confined within its present limits the breach may be healed, if the powers show more adroitness and more regard for the rights and susceptibilities of the Chinese than they manifested before the war. Granting that order can be restored, what influence may we

expect the various elements of Western civilization to exert in China? There is no doubt that the reform movement of 1898 enlisted the enthusiasm of large numbers of *literati* and was in a fair way to succeed, when blocked by underhanded means. Though the enthusiasm of the reformers was somewhat naïve, and though they showed no technical mastery of Western civilization, they correctly read the needs of their time and adopted practical measures. The reform attacked the old system of education and substituted for an antiquated erudition the practical knowledge of modern social and industrial life. In addition to changing the character of the state examinations, the government also provided for the establishment of mining schools and schools in railway engineering in connection with every concession granted to a foreign corporation. Thus the Chinese sought in the shortest possible time to master the scientific principles of industry so as to become independent of foreign aid. The practical spirit of the Chinese makes them especially accessible from this side. They would accept conveniences in commerce and in the industries long before they would modify their ideas of government or of the customs and proprieties of social intercourse.

In this respect China is different from Japan. The Japanese, being eminently social, sought the society of other nations and were especially influenced by their political institutions. The Malay ingredient in their blood seems to make their nature more pliable and alert, while the Chinese are set and immovable in their social and political conceptions. The latter will readily learn from the stranger the mechanic arts, which they regard as subservient to their needs, but they will be slow to modify their essential ideas of life and society. As they are free from religious fanaticism, they would allow Christianity to take its place by the side of Buddhism and Taoism as a religion of the masses, provided it did not interfere with filial piety, ancestor worship, and the Chinese ideas of the proper relation

of the sexes. These institutions and ideas are regarded even by the rationalist mandarins as the immovable foundation of Chinese society, and any religion attacking them must prepare for a life and death struggle, such as that between Christianity and Roman stoicism.

Chinese manufactures have not passed beyond the stage of house industries, but in many branches the artisans are entitled to rank as artists, while careful and honest methods of production are safeguarded by the rigid rules of the guilds. Unfortunately it is to be feared that with the introduction of large factories there will be the same woeful destruction of artistic industries, the same cheapening and coarsening of manufactured articles, that we witness in India. On the other hand it is true that pictorial and dramatic art in China is at present held by the same bonds of conservatism and immovable adherence to conventionalities which are proving so disastrous in political life, so that a change to European standards would in this respect certainly be beneficial. Chinese literature, also, has much to gain, if, by a sweeping reform an alphabet could be substituted for the prevailing system of word-signs. At present fine writing consists largely in the employment of unusual word-signs, and the student of rhetoric is forced in consequence to burden his memory with thousands of these useless and intricate combinations.

In their efforts to remodel the civilization of China, the Western powers have not succeeded in reaching the inner life of the Orientals. The missionaries, with all their genuine sympathy and self-sacrificing devotion, antagonize them by opposing their cherished social customs and institutions; the traders, disdaining the trouble of understanding their natures, frankly despise them. Hence, any influence that may be exerted will come from the plane of economic and political superiority, and will be in danger of leading to the same superficial civilization that has been produced in India. England, on account of her multifarious experience and the adaptability of her methods, will be most likely to succeed in

an external imposition of Western industrial and political institutions. Less can be said for Germany and France unless they abandon their cast-iron systems of administration, and enter more into the spirit of the life among the natives.

Japan, in her ambition to be the mediator as well as the Albion of the Orient, is becoming constantly more fearful of Russian encroachment. While she has brought herself to realize that the occupation of Manchuria by Russia is reasonable and necessary, she would not willingly brook any further extension of Russian influence. Between the Chinese and the Japanese, however, there is also little sympathy. Racial affinities do not always lead to political friendship, as we see in the case of England and Germany. To the Chinese, the dwellers of the island kingdom are inferior dwarfs, to be treated with hauteur or even contempt, and few Japanese find it convenient to reside in China. Consequently they would welcome an opportunity further to impress the Chinese with their real strength. They would readily introduce the mechanism of European civilization into China, but, as they themselves have not as yet caught its spirit, their mediation would be no less superficial than that of the Western powers, although for different reasons.

In many ways Russia seems the destined mediator between the East and the West. In her civilization she combines European and Asiatic characteristics, as in her polity she unites the nationalism of Western Europe with the imperialistic ideal. Her pliable and unscrupulous diplomacy, her ceremonious religion, the simple and impressive absolutism of her government, fit her especially to deal with Orientals. Even her vices come to her assistance. The recent brutality of the Cossacks along the Amur, where an American traveler<sup>1</sup> in one day saw twenty thousand dwellings of peaceful Chinese in flames, and the river for miles black with the corpses of their former inhabitants, must indeed leave terrible memories.

<sup>1</sup>G. Frederick Wright in *The Nation*, Sept. 27, 1900

So will the looting practiced by Russian soldiers around Tientsin, which apparently the officers conscientiously tried to prevent. But in the Orient these outbursts of passion and cruelty may even add to the prestige of Russia. The Chinese are accustomed to sudden and brutal executions, and they have a fatalistic respect for any one who is powerful and unscrupulous enough to carry them out.

Beyond finding new regions in which her people may settle Russia has no high cultural aims in the Orient. While at home she insists upon religious uniformity, she makes no propaganda of orthodoxy in the East. After a region has been occupied and its people terrified into submission, her emigrants settle down peacefully by the side of the older inhabitants and gradually influence their habits and customs. The question in Eastern Asia will be, which has the greater assimilating capacity, Russia or China? It is to be feared that Russia, already semi-oriental, will become still more Asiatic as she succeeds in extending her dominion in China. Still, the deeper we enter into the study of the character of Russia, the less can we avoid the conclusion that her destined work is mainly in the East. She is not touched with the rationalism and individualism of the Occident. As one of her greatest writers has said, "Russia cannot be understood with the intellect, she must be believed in." Her writers, like Lermontow and Dostojewski, have given us in their descriptions of East-Russian life more of the flavor of the Orient than we can find in the literature of any other nation.

The assimilation of Northern China by Russia cannot be prevented. The promise at present offered by the Russian government that it will evacuate Manchuria is impossible of fulfillment. The railway interests already acquired are too great to be abandoned, and without Manchuria the Eastern empire of Russia would remain mutilated. Germany, the nearest neighbor of Russia in Europe and in Asia, makes no objection to the expansion of her power. She recognizes

the civilizing mission of the northern empire and also profits from her constantly expanding markets, which German manufactures in great measure supply.

The character of the various powers as civilizers in China will soon become apparent; for though an open partition is unlikely and the exercise of direct sovereignty seems impossible, the powers have acquired such important interests in the various parts of China that they will continue to influence the destiny of these regions. The international competition will make the powers still more careful of their actions than Great Britain has been in India, so that they may be expected to employ their best energies in the work. A great difference will exist between the relations established in the south of China, which will be chiefly commercial, and those of the north, which will be ethnical. This is not the place to speculate on the probable reaction of these developments on Western civilization, however important it may be. It is noteworthy that just at present a great Buddhist revival is taking place in Siam, Ceylon, Burma and Japan—a revival destined to purge Buddhism of the corrupt and degenerate elements which for two thousand years it has taken on and to restore it to its pristine purity. When thus reformed it will be much more likely to exert an important influence on Western thought and civilization than when burdened with the odium of superstitious practices as at present. Whether in politics the opening of the Orient will lead to an emphasizing of absolutism, and to a discouragement of individualistic and liberal principles of government, is a question which must engage the most serious thought of student and statesman, especially as there are many symptoms of such a tendency in all parts of the Western world.

PAUL S. REINSCH.

*University of Wisconsin.*

## PERSONAL NOTES.

### AMERICA.

**University of Chicago.**—Dr. Thorstein B. Veblen<sup>1</sup> has been promoted to the rank of Assistant Professor of Political Economy in the University of Chicago. He has written in recent years :

"*The Theory of the Leisure Class.*" An economic study in the evolution of institutions. Macmillan Co., New York, 1899. 12mo. Pp. viii and 400.

"*The Instinct of Workmanship and the Irrationality of Labor.*" In American Journal of Sociology, September, 1898.

"*The Beginnings of Ownership.*" *Ibid.*, November, 1898.

"*The Barbarian Status of Women.*" *Ibid.*, January, 1899.

"*The Reconceptions of Economic Science.*" Three papers, Quarterly Journal of Economics, January, 1899, June, 1899, and February, 1900.

**Columbia University.**—Dr. Charles Lee Raper<sup>2</sup> has been appointed Lecturer in History in the Barnard College of Columbia University. In the September issue emphasis was laid by mistake on his appointment to the University of North Carolina for the summer quarter of 1900. Dr. Raper enters this fall upon his permanent duties at Barnard College.

**University of Illinois.**—Dr. M. B. Hammond<sup>3</sup> has been appointed Assistant Professor of Economics and Sociology at the University of Illinois. Mr. Hammond occupied the position of Assistant in Economics at the same institution in 1897, was appointed Instructor in 1898, and Assistant Professor of Economics in 1899. In 1898 he received the degree of Ph. D. from Columbia University. His recent publications have been :

"*The Southern Farmer and the Cotton Question.*" Political Science Quarterly, September, 1897.

"*Correspondence of Eli Whitney with Reference to the Invention of the Cotton Gin.*" American Historical Review, October, 1897.

"*Cotton Culture and the Cotton Trade.*" 390 pp. Publications of American Economic Association. New series, No. 1, December, 1897.

"*Problems of Exchange and Trade.*" The Dial, June, 1898.

"*Recent Tendencies in Currency and Finance.*" *Ibid.*, October, 1898.

<sup>1</sup> See ANNALS, vol. viii, p. 353, September, 1896.

<sup>2</sup> See ANNALS, vol. xvi, p. 281, September, 1900.

<sup>3</sup> See ANNALS, vol. viii, p. 360, September, 1896.



"*The Problem of Distribution.*" *Ibid.*, February, 1900.

"*The Southern Farmer and Banking Reform.*" *Sound Currency*, December, 1898.

"*Women's Wages in Manual Work.*" *Political Science Quarterly*. (In Press.)

**University of North Dakota.**—Mr. Andrew E. Morrison has been appointed Instructor in Economics at the State University of North Dakota. Born October 19, 1873, at Moberly, Ontario, he obtained his early education in the public schools of Minnesota and North Dakota, and graduated from the University of North Dakota in June, 1900, with the degree of B. A.

**University of Vermont.**—Francis Newton Thorpe, A. M., Ph. D., was elected Converse Professor of Political Economy and Constitutional Law, and Dean of the recently created Department of Commerce and Economy, in the University of Vermont, in June, 1900. He was born in Swampscott, Essex County, Mass., April 16, 1857. He was prepared at the Academy and Lake Shore Seminary, North East, Pa. He took his Ph. D. at Syracuse University in 1883. He taught Latin and higher mathematics one year in the High School, Pleasantville, Pa., and after superintending public school work at North East, was admitted to the bar at Erie, Pa., in 1885. He spent the year 1885-86 in the Law School of the University of Pennsylvania, holding, at the same time, a fellowship in the Wharton School, in History and Political Science. He was re-appointed Fellow for 1886-87. In 1886 he was elected Professor of History, Social Science and Literature in the Philadelphia Central Manual Training School. He was appointed Lecturer on Government in the University from 1888-90, and in 1891 he resigned his chair in the Training School to become Professor of American Constitutional History in the University,—a position which he held until his resignation, September 1, 1893. In 1889 he was admitted to practice in the Supreme Court. While at the University of Pennsylvania, Dr. Thorpe was extremely active in the department of history, and through his efforts the Library of American History was secured. He inaugurated lectures on Saturday for the teachers of the Philadelphia Public Schools, which have since become a conspicuous feature in the work of the institution.

Professor Thorpe has in press a work in three volumes which will be brought out together, entitled, "A Constitutional History of the United States, 1760-1895," which he began in 1880-81 and completed in April, 1900. Another work, also in press, is a History of the United States for Junior Classes. He has in preparation a "Life of William Pepper, M. D., LL. D.," late Provost of the University of Pennsylvania. During Dr. Pepper's Provostship, Professor Thorpe was brought

into close relations with him, and at his death his papers and other biographical material were placed in Professor Thorpe's hands.

Professor Thorpe was one of the earliest University Extension lecturers in this country, and has delivered a very large number of lectures in this work. In addition to many articles in the newspapers he has written:

"*The Study of American History in American Colleges and Universities.*" Education, Boston, June, July, 1886.

The same, rewritten in Circular of Information No. 2, Bureau of Education, Washington, 1886.

"*The Origin of the (Federal) Constitution.*" Magazine of American History, August, 1887.

"*Articles on American History.*" Education, Boston, May, June, 1887, March, 1888.

"*The Chautauqua County in History.*" The Chautauquan, July, 1888.

"*The Chautauqua County in History.*" July, 1889.

"*Civil Rights Guaranteed by the State Constitutions.*" Education, Boston, May, June, 1899.

"*Manual Training as a Factor in Modern Education.*" The Century Magazine, October, 1889.

"*The Government of the People of the United States.*" 12mo. 302 pp. Eldridge & Bro., Philadelphia (first ed.), 1889.

"*Civil Government in the Schools.*" Education, Boston, November, 1899.

"*Washington and Montana: Have they made a Mistake in their Constitutions?*" The Century Magazine, February, 1890.

"*Recent Constitution-Making in the United States: North Dakota, South Dakota, Montana, Washington.*" ANNALS OF THE AMERICAN ACADEMY, Philadelphia, September, 1891.

"*The Story of the Constitution.*" The Chautauqua Press. 208 pp. 1881.

"*John Alexander Jameson, LL. D.*" ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE, January, 1891.

*University Extension Syllabi:* (1) "Europe Finds America," 10 pp.; (2) "The Constitution of the United States," 9 pp.; (3) "American Statesmen," 12 pp.; (4) "The Civil Development of the United States," 12 pp.; (5) "Epochs in American History," 12 pp.; (6) "The Administration of Government," 12 pp. Each syllabus outlines six lectures. The J. B. Lippincott Co., Philadelphia, 1891-92.

"*Benjamin Franklin and the University of Pennsylvania.*" 8vo. 450 pp. Washington: Government Printing Office, 1893.

"*American Democracy.*" The Atlantic Monthly. December, 1893.

"*The Principles of Government in the United States: Outline of Lectures in the School of American History and Institutions.*" University of Pennsylvania. 32 pp. Lancaster, 1893.

"*The Government of the People of the United States and of the State of Pennsylvania.*" 12 mo. 300 pp. Eldredge & Bro. First edition. 1893.

"*Le Principe de Representation en Amerique. Revue du Droit Public, et de la Science Politique en France et a L'Etranger,*" Paris: Juillet-Aout, 1894.

"*Is the President of the United States Vested with Authority Under the Constitution to Appoint a Special Diplomatic Agent with Paramount Power, Without the Advice and Consent of the Senate?*" The American Law Register and Review, April, 1894.

"*A Shorter Course in Civil Government.*" Eldredge & Bro., Philadelphia. (Eighteen different State editions.) 1894.

"*The Government of the People of Pennsylvania.*" 94 pp. Eldredge & Bro., Philadelphia, 1894.

"*The University of Pennsylvania.*" Harper's Magazine. September, 1894.

"*The Constitution of the United States, with an Index and Bibliography.*" 116 pp. Eldredge & Bro., Philadelphia, 1895.

"*The Works of Lincoln as a Political Classic. Open Letter.*" The Century Magazine, July, 1895.

"*A New Suffrage Qualification. Open Letter.*" The Century Magazine, October, 1893.

"*The Dominant Idea in American Democracy.*" Harper's Magazine, November, 1896.

"*A Century's Struggle for the Franchise in America.*" Harper's Magazine, January, 1897.

"*The Hundred Years' Campaign.*" Harper's Magazine, May, 1897.

"*A Constitutional History of the American People, 1776-1850.*" Harper & Bros. 2 vols. 8vo. 1898.

"*The Civil Service and Colonization.*" Harper's Magazine, May, 1899.

"*Paul Leicester Ford's Many-Sided Franklin.*" American Historical Magazine, April, 1900.

"*Forgotten Presidential Candidates.*" The Chautauquan, June, 1900.

**Western Reserve University.**—Dr. Francis Walker<sup>1</sup> has been appointed Associate Professor of Political Science at Western Reserve University, Cleveland, Ohio. In recent years Dr. Walker has been

<sup>1</sup> See ANNALS, vol. vii, p. 92, January, 1896.

Instructor in Political Science at Colorado College, Colorado Springs, Colo.

**University of Wisconsin.**—Dr. Edward D. Jones has been appointed Assistant Professor of Economics and Commercial Geography in the School of Economics and Political Science, at the University of Wisconsin. He is also to deliver a course of eighteen lectures on "The Industries of the United States," at the University of Michigan, during the coming year. As was stated in the November, 1899, ANNALS,<sup>1</sup> Dr. Jones was on a leave of absence from the University of Wisconsin last year, and was engaged as Special Agent with the Department of Education and Social Economy at the Paris Exposition. He was appointed a member of the International Jury of Award. The United States Government was granted a "Grand Prix" on the exhibit of maps and charts on the "Resources and Industries of the United States," prepared by him.

Dr. Jones has recently published:

"*Economic Crises.*" New York: Macmillan, 1900. (In the "Citizens' Library of Economics and Politics.")

"*The Country and the People,*" and

"*The Resources and Industries of the United States,*" being monographs published by the Paris Exposition Commission for distribution at Paris in connection with the Social Economic Exhibit.

"*Why America Should be Great,*" a series of articles now appearing in *Leslie's Weekly*.

<sup>1</sup> See ANNALS, vol. xiv, p. 353.

## BOOK DEPARTMENT.

### CLASSIFIED INDEX OF BOOK-NOTES AND REVIEWS.

#### FINANCE.

- Review*.—Hoffman—History of the Prudential Life Insurance Company of America, 1875-1900 . . . . . 118  
*Notes*.—Del Mar—History of Money in America . . . . . 110  
 Knox—History of Banking in the United States . . . . . 110  
 Nelson—A B C of Wall Street . . . . . 113

#### GEOGRAPHY.

- Reviews*.—Nouveau Dictionnaire de Géographie Universelle (Supplément) . . . . . 135  
 Mill—International Geography . . . . . 136

#### HISTORY.

- Review*.—Bolles—Pennsylvania, Province and State . . . . . 116  
*Note*.—Bancroft—Life of William Seward . . . . . 107

#### POLITICS.—

- Reviews*.—Loos—Studies in the Politics of Aristotle . . . . . 129  
 Lowell—Colonial Civil Service . . . . . 131  
*Notes*.—Ratzel—Das Meer als Quelle der Völkergrösse . . . . . 113  
 Scruggs—Columbian and Venezuelan Republics . . . . . 114  
 Spalding—London School Board . . . . . 115

#### SOCIOLOGY.

- Review*.—Kelly—Government or Human Evolution . . . . . 125  
*Notes*.—Chapman—Practical Agitation . . . . . 108  
 Congrès Général des Organisations Socialistes Françaises . . . . . 109  
 McKim—Hereditv and Human Progress . . . . . 111  
 Moore—Better World Philosophy . . . . . 112  
 Morris—Man and His Ancestor . . . . . 112  
 Spahr—America's Working People . . . . . 115  
 What Women Can Earn . . . . . 116

#### TRUSTS.

- Review*.—Jenks—The Trust Problem . . . . . 121  
*Notes*.—Collier—The Trusts . . . . . 108  
 Hopkins—The Coming Trust . . . . . 110  
 Nettleton—Trusts or Competition . . . . . 113

#### NOTES.

"THE LIFE OF WILLIAM SEWARD," by Frederic Bancroft,<sup>1</sup> illustrates the value of biography in historical study. The life of Seward for forty years formed an important part of the history of the nation. A nation's activity is made up of the activities of all of the individuals composing it. In works of general history this is often lost sight of; the reader is apt to obtain a vague impression of national activity as a whole. Biography puts history in the light of individual activity. The author of "The Life of Seward" has grasped the full significance

<sup>1</sup> Pp. ii, 576. Price, \$5.00. Vols. 2. New York: Harper & Bros.

of this advantage in the presentation of his data. We live again the life of the subject of his sketch; we breathe the atmosphere and feel the pulse of the times in which he lived. Reading "The Life of Seward" we move with him through his strong, private and active public career; we think as he thought; we help him to solve the problems of the time; we come into personal contact with Lincoln, with Weed, with all of those master spirits of the middle period of our history; we attend conferences settling the great questions of the day; we read history from the vantage ground of personal experience. In this work careful scientific research has given to the author the advantages both of historic method and of pleasing form of presentation. As history "The Life of Seward" must be regarded as one of the strongest works on the period which it represents; as biography it is well adapted to the illumination of the life and activity of a great man.

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MR. JOHN JAY CHAPMAN is always entertaining and stimulating in the treatment of any topic he selects. "Practical Agitation"<sup>1</sup> is a series of brilliant essays on the influences of personality in political life and in current literature, especially of the newspaper type. While Mr. Chapman is not a pessimist he is usually hypercritical, with no realization of the historical significance of compromise in the world's politics. He attacks everything that does not conform to the strictest standard of straightcut reform and dog-in-the-manger tactics in its accomplishment. The masses understand and appreciate sincerity and nothing else, and this means that you cannot speak to any one on the street with whom you do not thoroughly agree on every question of public policy; otherwise, your act will be misconstrued and you will be guilty of insincerity. That a philosophy of this type lends itself to trenchant expression, especially in the hands of Mr. Chapman, no one will deny, but of its permanent value as an educational force, there may be grave doubts.

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"THE TRUSTS" is the title of a new work by William Miller Collier,<sup>2</sup> in which the author has given a broad though somewhat partisan view of the question. The leading features of the problem are presented in the chapters on "The Mother of Trusts," "Crises and Potential Competition," "Trusts and the Wage-earner," "Trusts and Special Privileges" and "Trusts and Expansion." According to the author's view, the trust has arisen out of the waste of competition and the economies that are to be secured by organized co-operation. On

<sup>1</sup> Pages 157. Price, \$1.25. New York: Charles Scribner's Sons, 1900.

<sup>2</sup> Pp. viii, 338. Price, \$1.25. New York: Baker & Taylor Company, 1900.

the subject of monopoly prices it is claimed that no combination of capital can completely monopolize any field for the purpose of fixing prices arbitrarily; that the trust must deal with the public and must meet with the competition of substitutes for trust products. Moreover, it must provide against competition from other producers who are attracted to the field of industry whenever prices are fixed at such a point as to bring large returns in profits. This double competition must ever keep the trust organization within reasonable bounds with regard to prices. The author also regards the trust as one of the productions of modern economic development growing out of competition and improved methods, and as intended to place us in a position of advantage in foreign trade.

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THE RADICAL SOCIALISTS and radical labor parties of France held a joint congress in Paris on December 3 to 8, 1899. The stenographic report<sup>1</sup> of the proceedings has just been issued and makes an interesting collection of material for any one who wishes to study the erratic course of the majority of these bodies in contemporary French economic and political history.

In addition to the main addresses and the discussions, punctuated with all possible suggestions of the varying moods of the body of the congress, one finds in this official report a list of all the heads of the various departments of France represented in the congress, and also the names of those voting for and against the principal resolutions adopted by the congress. These resolutions show that on the question of class conflict and of the participation of socialists in the existing bourgeois régime, that there are considerable differences of opinion. The first resolution stated that the class conflict did not permit a socialist to take part in a bourgeois government, and, of course, was a hit at a prominent member of the present ministry. This was carried by a vote of 816 to 634. The second resolution declaring that under existing circumstances it was the duty of the socialists to organize the working men, commencing with a local and peaceful attempt at the political expropriation of the capitalist class, which will finally end in revolution, was carried by a vote of 1,140 to 240. The resolution on methods advocating electoral and revolutionary political action, general strikes and boycotting, was carried unanimously. Other resolutions attacking the Military Party, the Clerical Party, the Anti-Semitic Party, the National Party, and relating to the efforts of socialistic organizations were also carried unanimously.

<sup>1</sup> Congrès Général des Organisations Socialistes Françaises. *Compte rendu Sténographique Officiel*. Pp. 502. Price, 4 fr. Paris. Librairie. Georges Belais, 1900.

ALEXANDER DEL MAR probably deserves to be called the most enthusiastic and indefatigable of all the men at present engaged upon the theory and history of money. In his "History of Money in America"<sup>1</sup> he is aiming to supplement his volumes on the "History of Monetary Systems" and the "History of the Precious Metals." The small volume just published concerns itself entirely with an inquiry into the kinds of money which were used in America between 1492 and 1789. Mr. Del Mar is of the opinion that gold was used as money in Peru prior to its discovery by Europeans, and that such use was abandoned because of the abundance of gold. He gives many interesting facts about the early uses of money among the aboriginal tribes both in North and South America, and concerning the coin and paper issues of the British colonies. In a brief chapter he gives the essential facts concerning the issues of Continental money during the Revolutionary War. Like all the writings of Mr. Del Mar, this volume is pervaded by his well-known opposition to the modern system of free coinage. He is always finding evidence that no monetary system can be safe unless the supply of money is carefully regulated by government. All of Mr. Del Mar's writings deserve a place in the library of every student of the money question, and this latest work is no exception.

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"THE COMING TRUST,"<sup>2</sup> written by Mr. L. L. Hopkins, is a suggestive pamphlet of 134 pages. It represents in the form of a narrative the promotion and business success of an hypothetical organization of the agricultural and manufacturing interests. The purpose of this organization called "The Coming Trust" is that of producing and marketing goods with greater economy. The story portrays the gradual evolution of a combination of farmers in Kansas, who are desirous of marketing their wheat in New York without the intervention of middlemen, to a national organization operated by and for the benefit of the producers; the directory and managers of the concern are made up of the salaried agents of the stockholders instead of being themselves the prime beneficiaries. In simplicity of style and clearness of detail the work suggests "Coin's Financial School."

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"THE HISTORY OF BANKING IN THE UNITED STATES"<sup>3</sup> by the late John J. Kuox, is a work that should find a place on the shelves

<sup>1</sup> *The History of Money in America from the Earliest Time to the Establishment of the Constitution.* By Alexander Del Mar. Pp. 118. Price, \$1.50. New York: Cambridge Encyclopedia Company.

<sup>2</sup> Price, 25c. New York: Advance Publishing Company.

<sup>3</sup> Pp. xxii, 880. Price, \$5. New York: Bradford Rhodes & Co., 1900.



of every student of banking. Not only is it commended by its comprehensive scope, but also by its authorship. Mr. Knox was a practical banker. Moreover, his experience in public service—five years as deputy controller, and twelve years as controller of the treasury—placed him in immediate touch with all the sources of information necessary to the preparation of such a treatise. His intelligence and scholarly devotion to the subject of banking led him to mature consideration of all the questions and interests which his long life of public and private activity involved. It is seldom that an author is found with such qualifications for scientific and literary writing. The work of Mr. Knox, after his death, was left in hands quite as competent to bring it to a close. It has been revised and brought up to date by Mr. Bradford Rhodes, editor of the *Bankers' Magazine* of New York, and assisted by Mr. Elmer H. Youngman, his associate.

The book begins with a general view of the history of banking in Europe. This is followed with a sketch of colonial banking and bank operations under the Continental Congress. Systems both national and state are subsequently set forth in orderly arrangement and completeness of detail. The history of the national banking system is largely drawn from the personal experience of the author, whose literary activities and public service began about the time of the introduction of the national banking system. A special feature of this work is the space given to the history of state banking. This part of the subject is treated first by giving a general history of the movement and of the special features in state banking. The author then describes the systems as they have arisen in each state separately, grouping the states geographically for the purpose of the discussion. Much statistical information is incorporated in the work which cannot be found elsewhere in convenient form. Attention is also given to the legislation involved in our financial development. The work is handsomely illustrated with engravings of leading American bankers and financiers.

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HEREDITY AND HUMAN PROGRESS,<sup>1</sup> by W. Duncan McKim, M.D., Ph. D., is a discussion of the question of how to check the increase of the defective and criminal classes. The author is something of an alarmist on the present situation, and advocates the drastic remedy of a painless death to be executed in state institutions upon the very worst of these classes. The idea is not a new one and neither is it presented in any new or striking way. In the chapter on "Objections to the Remedy Proposed," almost all objections of weight that

<sup>1</sup> Pp. viii, 283. Price, \$1.50. New York and London: G. P. Putnam's Sons, 1900.

have been brought forward are touched upon, but none of them treated with a fullness that is likely to carry conviction for the author's position, nor can it be said that he has given a satisfactory answer to objections that have been stated with great force and relevancy. With the increasing feeling that the state should not enforce the death penalty, even for aggravated crime, Dr. McKim's proposition is sure to prove too radical to accomplish great results. There are other remedies for checking the multiplication of the defective and criminal classes which do not appeal to sentimentalists any more than Dr. McKim's and are yet more likely to be given serious consideration, and perhaps wholesome experimentation in the near future.

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MR. J. HOWARD MOORE, of Chicago, in a small volume of essays entitled "Better World Philosophy: A Sociological Synthesis,"<sup>1</sup> discusses the interesting conflict between the motives of egoism and altruism in their relation to the social problem of our own time. The Problem of Industry, The Blunders of Individuals in Interpreting the Animate and Inanimate Universe, The Social Problem, Egoism and Altruism, The Preponderance of Egoism, The Social Ideal, The Derivation of the Natures of Living Beings, Race Culture and Individual Culture are the topics of these essays. The fundamental thought running through the book is that both egoism and altruism are capable of classification and are found in a few well defined stages of intensity in all human beings. Furthermore, that both egoism and altruism are essentially rational motives. On this point it will be noted that the author takes issue with Mr. Kidd. The purpose of the volume is to show the existing preponderance of egoism in the social conduct of individuals and to discuss the question of how the preponderance may be turned, especially through the education of the young, in favor of the altruistic factor.

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THE THEORY OF EVOLUTION in its application to the origin of man is a subject of very general interest. Most writers nowadays assume that their readers accept the evolutionary hypothesis concerning man's ancestry. Very few persons know anything of the evidences upon which this theory rests or are able to read the scientific works which treat of those evidences. Mr. Charles Morris has given us, under the title "Man and His Ancestor: A Study in Evolution,"<sup>2</sup> a very modest clear and untechnical discussion of those evidences. He follows in the main the best scientific literature from Darwin to the present, and puts in a few suggestions concerning significant facts discovered since

<sup>1</sup> Pp. 275. Chicago: Ward-Waugh Company.

<sup>2</sup> Pages 238. Price, \$1.25. New York: Macmillan Company, 1900.

Darwin's time, which offer additional lines of evidence. The book is one which no reader of the social literature of the day can read without profit. It will help in clearing up many concepts which are currently accepted but dimly understood. The work is, moreover, sane and conservative from a positive evolutionist's point of view.

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WALL STREET<sup>1</sup> is a perennial source of interest to the uninitiated. Books which describe its methods and operations always seem to be in demand. Mr. Nelson's "A B C of Wall Street," although modest in size and pretensions, is an interesting book and is unusually accurate and reliable. An appendix gives the dictionary of the Wall Street jargon, which will be found very helpful to people not familiar with speculation. The book contains numerous extracts from the writings of Jevons, White, Muhleman and others. It describes Wall Street methods; it does not pretend to tell men how to make money there.

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MR. A. B. NETTLETON, former Assistant Secretary of the Treasury, has recently brought out a work entitled "Trusts or Competition."<sup>2</sup> In this work Mr. Nettleton attempts to give both sides of the trust question. Pursuing this plan the author sets forth the arguments for and against the trust in clear and analytical style. Following these discussions the expressions of various leading thinkers in the spheres of finance and politics are given, together with the action taken by trust conferences and the United States Industrial Commission. The work is supplemented with extracts from anti-trust legislation and decisions.

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IN "*Das Meer als Quelle der Völkergröfse*,"<sup>3</sup> a pamphlet of eighty-six pages, the author, Friedrich Ratzel, has re-stated some of the thoughts contained in his "*Politische Geographie*." He discusses the influence of the sea upon the migration of peoples, finding that the maritime peoples are naturally migratory or expansive, because the land upon which they live necessarily gives a limited food supply. The people, therefore, extend their settlements from one island to another and along the coasts, as successive increases in the population necessitate new food supplies. The author also believes that islands are naturally the centre of world powers and cites numerous instances in support of this thought. The significance of maritime peoples and

<sup>1</sup> *The A B C of Wall Street*. Edited by S. A. Nelson. Pp. 164. Price, \$1.00. New York: S. A. Nelson, 16 Park Place.

<sup>2</sup> Pp. 304. Price, 50c. and \$1.00. Chicago: Leon Publishing Company, 1900.

<sup>3</sup> Pp. 86. Price, 1 m. 20 pf. München: R. Oldenbourg, 1900.

their influence upon history varies greatly at different epochs. Professor Ratzel thinks that the influence of the Mediterranean Sea upon European civilization has at times been over-rated, since most of the great migrations took place through the interior of Europe rather than across the Mediterranean. At the present time, however, we are in the midst of a great development of sea power, which is extending to all progressive nations. The distinction between the land and the sea powers in world politics is rapidly dying out because of the great increase in the number of sea powers, and because all progressive peoples are steadily pushing their way toward the sea. "But it lies in the nature of the land that even the slowest progress finally brings the people to the ocean and no people will permanently renounce the advantages of sea trade; therefore, that steady progress of the inland peoples toward the ocean which is found in the negro races in Africa as well as the most cultivated peoples of Europe." This tendency is having a two-fold result, first, the enormous territorial expansion of the maritime powers, and, second, the destruction of the old balance of powers in Europe. Although the pamphlet contains ideas which the author had worked out before the present stage of international politics, yet it is intended primarily to educate the Germans to the necessity of a larger navy.

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THE HON. WILLIAM SCRUGGS, who was for many years the diplomatic representative of the United States in Colombia and Venezuela, has written a book<sup>1</sup> concerning these two countries. The volume will be a disappointment to persons familiar with the places described, and can hardly be recommended to those desiring information on Central or South America. The book contains chapters on the Panama Isthmus and canal, sections describing the coast and interior parts of Colombia and Venezuela, accounts of the manners and customs, revolutions and natural resources of each nation. The author discusses the political institutions of the countries named, makes some observations regarding the Monroe Doctrine, and gives an account of the Venezuelan boundary dispute. The political institutions and the economic resources of Colombia and Venezuela merit careful study on the part of the United States, and it is to be regretted that Mr. Scruggs has not written a work of more permanent value.<sup>2</sup>

<sup>1</sup> *The Colombian and Venezuelan Republics, with Notes on Other Parts of Central and South America.* With maps and illustrations. By WILLIAM L. SCRUGGS, Late Envoy Extraordinary and Minister Plenipotentiary of the United States to Colombia and to Venezuela. Pages, xii, 350. Price, \$2.50. Little, Brown & Co., 1900.

<sup>2</sup> Contributed by Emory R. Johnson.

DR. CHARLES B. SPAHR, one of the editors of the *Outlook*, has reprinted in an attractive volume his articles on "America's Working People,"<sup>1</sup> originally published in the *Outlook*. The articles originally attracted considerable attention, and even to those familiar with them they will be welcomed in the present collected form. The author has attempted to investigate conditions as they exist, and on the whole is rather optimistic in his conclusions. Economic gains seem to have offset economic losses in most of the departments of industry investigated. This is less true of farming districts, and yet Dr. Spahr is by no means as pessimistic as most recent writers in speaking of the condition of the American farmer. The studies in this volume cover the factory towns in New England and in the South, a primitive community in Arkansas, the coal and iron centres in Pennsylvania, two chapters on the negro, one on Mormons, a study of the trade union movement in Chicago and of the northern farmer. The chief value, as well as the chief weakness, of these studies consists in the fact that they are not statistical, but rather impressionist in character, and attempt to reflect the whole life of the people in the industry or section of the country under discussion.

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THE WORK of the London School Board<sup>2</sup> has just been described in an interesting compilation prepared for the Paris Exposition. The president of the board, Lord Reay, says, in his preface to the volume: "Although the school board has only been in existence for thirty years, it has wrought so great a revolution in the educational condition of London that people are apt to forget the calamitous state of affairs which existed before it was established . . . ." These conditions are briefly described in the first twenty pages of the book. In the second part an outline of the existing organization is given. From the interesting statistics given in this part it appears that until 1893 the number of children of school age exceeded the accommodations provided but that since 1893 the accommodations have been in excess. The efficiency of the board in bringing about this result is more striking when it is known that in 1870, when the board was instituted, over 180,000 children of school age were without accommodations. Part II also contains a convenient summary of information concerning school buildings, apparatus and text-books, compulsion, industrial schools and school finances. The local school taxes are levied by the various local councils of the municipality upon demand

<sup>1</sup> Pages vi, 261. Price, \$1.25. New York: Longmans, Green & Co., 1900.

<sup>2</sup> By T. A. Spalding, T. S. A. Cauney and others. Pp. 269. Price, 5s. London: P. S. King & Son, 1900.

of the board. The annual cost per child in 1900 is eighty-seven shillings, of which fifty-five shillings are paid from the local taxes, the remainder being given by the state. Part III contains a series of articles upon special topics, *e. g.*, infant schools, teachers' training, drawing, singing, cookery, domestic economy, the abnormal child and evening schools, etc. The book will be of great interest to all American as well as English educators.

"WHAT WOMEN CAN EARN"<sup>1</sup> is a discussion of the occupations of women and their compensation. The volume is a collection of very brief articles on the different professions and occupations in which women have entered in recent years, contributed by a large number of writers, many of whom, by their own conspicuous successes or their experience with women engaged in gainful occupations, can speak with authority. Most of the articles appeared originally in the *New York Tribune*, and are reprinted from the Women's Page of that paper. They contain a certain amount of wholesome advice for young women entering upon business careers, and are of some general interest in reflecting the usual difficulties with which women have to contend in the business world. The volume as a whole, however, has little scientific value as a study of women's attainments or failures in business.

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REVIEWS.

*Pennsylvania, Province and State.* By ALBERT S. BOLLES. 2 vols. Pages vi, 532; x, 582. Price, \$5.00. Philadelphia: John Wanamaker. 1899.

Dr. Bolles has given the public, in the present work, a history of Pennsylvania from 1609 to 1790. His subject is one of peculiar interest. To use his own language: "Of all political institutions planted in the Anglo-American colonies, Penn's 'holy experiment' is the boldest, the most comprehensive, the most original." The land grant which furnished the material basis for this experiment included, in all, about forty-five million acres, a tract larger and more fertile in resources than that of England itself. The society and political organization planted here were unique. The early history of this new-world institution and the development of the proprietary into a state is portrayed in a most entertaining style. Dr. Bolles has aimed to write in a manner to entertain rather than to impress the reader with his scientific qualities. He has avoided foot-notes and the usual drappings of scientific history. The reason for this, as he states in his preface, is that the work is intended for the general reader, who trusts to the

<sup>1</sup> Pages xvi, 354. Price, \$1.00. New York: Frederick A. Stokes Company.

author and does not care for references. The author feels justified in regarding the wishes of the popular reader rather than those of the few "who would be pleased to see fortifications bristling around every statement." In further explanation of his method, the author announces that he purposes to deal in another work more fully with the materials pertaining to the history of Pennsylvania than he could in this. The first volume is given to tracing the development of the province and state from the early settlement by the Dutch and the Swedes prior to the time of Penn's purchase, through the interesting experiences of the early Quaker foundation, to the time of the organization of the first state government. Much thought and research has been given to these early experiments in proprietary government and the gradual adaptation of old English institutions and Quaker ideals to the social and economic environment of the new world. These changes and the forces which brought them about are portrayed in the history of the many collisions between the proprietary and the people, organized for the purpose of securing what they esteemed to be their own welfare. The Revolutionary Period—the part which Pennsylvania took in the heroic struggle which the united colonies made against the military power of Great Britain—is also set forth at length.

The second volume is devoted to subjects and matters which the author states could not be well treated in the first without destroying the continuity of the story. This is very fortunate, for we have here a topical discussion of many of the phases of provincial life which are of greatest interest to the student and general reader. The author here abandons the general chronological development of his larger subject and takes up separately such topics as "Religion," "Trade," "Manufacture," "Education and Literature," "Local Government," "Land and Labor," and gives to each a continuity that could not be had in a treatise which attempted to carry on the historical development of the whole. A reading of Dr. Bolles' work will throw new light on many of our present day institutions that could not otherwise be understood—peculiarities in the social and political relations of Pennsylvania and Philadelphia, which are so far out of harmony with the experience of other states that some idea of the original characteristics of our society here is necessary to an understanding of the present. The student of economics also finds much valuable material. Dr. Bolles has, in many instances, gone outside the usual data collected by historians and brought in matters of material and industrial development, which give his subject a bearing on the economic as well as the social and political. We will look forward with interest to the larger history which he has announced. F. A. CLEVELAND.

*University of Pennsylvania.*

*History of the Prudential Life Insurance Company of America (Industrial Insurance), 1875-1900.* By FREDERICK L. HOFFMAN, P. S. S., Statistician of the Company. Newark, N. J.: Prudential Press. Pp. xiii and 338.

The anniversary volumes with their wealth of pictorial ornamentation and biographical data, which railroads, banks, insurance and kindred corporations are wont to issue, rarely call for comment in the pages of scientific journals. They frequently contain, it is true, important data for the economic history of the nation, but it must be sifted from a mass of personal matter which has no interest for the general reader. Mr. Hoffman's work differs so widely from the general run of such publications that we venture to bring it to the attention of economists and sociologists. The author is known by his able discussion of the negro question in the publications of the American Economic Association, and those who are familiar with his writings have learned to expect scholarly work from his pen. Nor will they be disappointed in the present work. With the inevitable limitations imposed by the duty of describing specifically the work of a particular corporation, Mr. Hoffman has produced an authoritative work on industrial insurance, a widely diffused form of thrift, but little known outside of the working classes to which it specifically appeals. Interwoven with the history of the Prudential Company, the pioneer in this form of insurance in the United States, we find a discussion of the principles upon which the business rests, which, until the appearance of the author's promised larger volume on Industrial Insurance, will probably be the most accessible source of information on this important subject. As it is one which has not heretofore been noticed in the ANNALS, I venture to speak somewhat at length of the contents of the work.

To the general reader the introduction in which the general aspects of industrial insurance are set forth, and the concluding chapter which summarizes the experience of the company will be of the greatest interest. But if he seeks a more thorough knowledge of the subject, he cannot afford to overlook the intervening chapters in which the gradual development of the company is traced and where questions of principle are more amply discussed.

What, then, is industrial insurance? Briefly, it is insurance for the industrial masses in amounts and under conditions suited to their economic circumstances. It differs from ordinary life insurance in several important respects. In the first place, the policies are adjusted to the premiums, whereas in ordinary insurance the reverse is the case. In the latter the premium rate for a given age is adjusted to the basis of a policy of \$1,000 as the standard, in the former the



amount of the policy is adjusted to the payment of a definite weekly premium, which may be as low as five cents and which in the Prudential cannot exceed sixty-five cents. In ordinary life insurance payments of premiums are made at the company's offices and are rarely more frequent than quarterly, while in industrial insurance the premiums are collected weekly at the homes of the insured. Again, while ordinary life insurance is generally adult insurance, industrial insurance extends to all ages from one year and upward. Life insurance claims to be at once a protection and an investment; industrial insurance claims to be little more than protection. At its origin it emphasized the fact that the amount of the policy would constitute a burial fund, and this still plays the principal rôle in its arguments, though amounts have been gradually increased so that they will cover the expenses of the last illness and provide, perhaps, a small fund, not for investment, but as a means of supplying the family needs until new sources of income are found.

Before the advent of industrial insurance in the United States various efforts had been made to extend the benefits of insurance to the masses. These generally took the form of associations which collected weekly dues from members and insured them in a regular company. These efforts generally collapsed after a short existence for they could not provide an effective machinery for the collection of the premiums. Concurrently with these institutions there arose a great number of fraternal orders of various sorts which did an insurance business upon the so-called co-operation plan. The record of these well-meaning but misguided efforts is a painful story of failure and distress. Carried on in woeful disregard of the first principles of scientific insurance, their collapse was inevitable, and few have survived the span of a generation. They perished in the pursuit of the phantom of "cheap" insurance, which, as everyone knows, is no insurance at all.

Industrial insurance has been spared the fate of these fatuous enterprises because it has given to the workingman real protection. The primary advantage which it offers him is not cheapness but facility in affecting insurance. It has been characterized as doing an insurance business by retail, and it has been properly stated that its patrons were unable to buy at wholesale and obtain the advantages of such rates. They buy, to follow out the metaphor, in small amounts and by frequent purchases and must submit to the higher prices which this uniformly involves. The industrial companies are purely business institutions, which approach their patrons with no offer of benevolence, but with a strictly business proposition. It might be supposed that the expensiveness of the business would be a bar to the

commercial success of the companies, but it has not proved so. Insurance even at comparatively high rates has been appreciated by the masses as so much better than no insurance at all that it has acquired a widespread popularity.

Mr. Hoffman devotes considerable attention to the controversy over the insurance of children. This form of insurance has frequently been condemned by well meaning persons, who have seen in the insurance of the lives of young children a temptation to child murder. Various legislative inquiries have shown how baseless is the charge, and the fact that the mortality experience of the industrial companies is lower than the general infant mortality would seem to dispose of it at once. None the less, some states have seen fit to pass laws regulating this matter, but in so doing they have only incorporated into law the previous practice of the better companies in limiting to a comparatively small sum the amount of the policies. Through the ignorance of many people as to the methods of industrial insurance, this controversy has had a larger place in the public eye than its importance warrants, but it seems well to mention it here briefly.

If the proof of the pudding is in the eating, the success of the industrial companies should be an indication that they perform a social function of the first importance. Founded in 1875, the Prudential Company had 4,816 policies outstanding December 31, 1876, of an average amount of \$92. On December 31, 1899, its policies numbered 3,406,189 for an aggregate amount of \$389,039,257, or an average of \$114.22. Its premium income from such policies was over fifteen million dollars. The success of industrial insurance prompted the company to enter the field of ordinary life insurance, writing policies for \$500 and upwards. Its policy holders in this field may perhaps be regarded as those who have graduated from the industrial field, but not yet reached the economic conditions cultivated by the ordinary companies, since its policies average \$1,094 against \$2,382 of the ordinary insurance companies reporting to the New York Insurance Department. The table of occupations of adult decedents shows that it reaches all classes in the community.

To the figures here given a statement of the extent of industrial insurance may well be added. (See table page 121.)

Mr. Hoffman furnishes us in the following table an effective contrast of the various provident institutions in the United States at the close of 1899:

11 Industrial Life Companies . . . . .	policy holders,	10,026,422
942 Savings Banks . . . . .	depositors,	5,687,818
58 Ordinary Life Companies . . . . .	policy holders,	2,807,476

With these figures before us and with Mr. Hoffman's careful history

of the Prudential Company and discussion of its principles, we may well concede to him success in his effort to make "it plain to the reader that we have in industrial insurance a form of thrift which no economist or student of social questions can properly or wisely ignore,

INDUSTRIAL INSURANCE IN THE UNITED STATES, JANUARY 1, 1900.

COMPANIES.	Home Office.	No. of Policies in Force.	Amounts of Indus- trial Insurance in Force.
Metropolitan . . .	New York, N. Y.	4,855,756	\$688,629,175
Prudential . . . .	Newark, N. J. . .	3,406,189	389,039,257
John Hancock . . .	Boston, Mass. . .	1,069,197	141,609,904
Life Ins. Co. of Va.	Richmond, Va. . .	219,679	20,246,656
Sun . . . . .	Louisville, Ky. . .	148,049	16,368,863
West'n and South'n	Cincinnati, O. . .	117,545	10,881,961
Baltimore Mut. Aid.	Baltimore, Md. . .	86,251	5,150,963
Pacific Mutual . . .	San Fran'co, Cal.	61,709	11,779,229
Colonial . . . . .	Jersey City, N. J.	27,697	2,854,075
Mutual . . . . .	Baltimore, Md. . .	21,132	2,304,762
Provident Life . . .	Wheeling, W. Va.	13,238	1,571,510
		10,026,442	\$1,290,436,355

a form of thrift which rather than deserving of that marked degree of indifference which alone explains the paucity of all reference to the entire subject of life insurance in works on economics and social science, is fully worthy of the most careful and thorough study on the part of those who concern themselves with socio-economic questions directly affecting the welfare of the working people of this country."

ROLAND P. FALKNER.

*The Trust Problem.* By JEREMIAH WHIPPLE JENKS, Ph. D. Pp. 279. Price, \$1.00. New York: McClure, Phillips & Co., 1900.

In "The Trust Problem" Professor Jenks has given us an excellent piece of scientific writing. He has confined himself very largely to a presentation of important facts, reserving his judgment until it can be more safely given, telling his reader what is, instead of attempting to determine what ought to be. A summary of the main features of the book will furnish its most satisfactory review. The spirit of the author is set forth in the introduction: "It is hoped that the prejudices which are common to all have not prevented a reasonable degree of fairness in seeing and depicting both sides of this question, the good as well as the evil.

The first chapter contains an analysis of competition. The author combats the notion that it is "free" in anything like the absolute

sense, offering as evidence, the friction of retail trade, the numerous understandings among manufacturers and dealers, and the monopoly of patents, trade marks and large capital. In Chapter II the author continues his line of argument by showing that competitive prices measured from the cost of production as a standard are quite likely to be high prices. The high cost of marketing, including the expenses of advertising, must be added to the cost of production, often increasing prices far above the normal level. Bad debts, which the consumer must pay, useless duplication of plants, a low standard of capacity in salaried employes, insufficient machinery in small plants, all unite, under the competitive system, to increase the cost to the consumer of articles produced under so-called "free" competition. Having put the competitive system in its proper light, the discussion next turns upon the origin of trusts. The advantage of escaping the wastes of competition already described is naturally the first cause. The second is of the nature of special privileges. Under this head the author discusses tariff protection against foreign competition and railway discrimination. He concludes that both of these causes have assisted the formation of trusts, but cautions his readers against exaggerating their importance.

Chapter III contains a discussion of combination and monopoly. The author defines monopoly as meaning "unified control enough to hold competitors well in check, as evidenced by the power to put prices higher than former competitive rates, while still excluding nearly all competitors;" and on the basis of this definition concludes that the trusts controlling as they do the larger part of the output in the industries in which they have been formed, may fairly be considered monopolistic in character, and therefore able to fix prices at such a point as to secure the largest net return without regard to the cost of production. If only 10 or 15 per cent of the productive power in any industry remains outside a trust, but little restraint can be exercised upon the control of prices by the large organization. If the outside producers attempt to undersell the trust, they cannot supply more than a small portion of the market. Although this argument is theoretically sound, yet the experience of the sugar war seems to contradict it. It is difficult for any producer, no matter how powerful he may be, to maintain two prices in the same market. There can be no doubt, however, as to the author's point that as between markets widely separated, local competition can be met and conquered by a trust, while yet the general level of prices is firmly maintained. In Chapter V a most useful piece of work is presented in a careful analysis of the methods of financiering the trusts. The work of the promoter and underwriter is explained, the different securities used

are described, and the evils attending trust financiering are indicated. Some exception may be taken to the discussion on the ground of incompleteness, but in a work of such wide scope, this criticism must weigh lightly. In Chapter VII, the basis of capitalization of the trusts is considered. The author defines in the preceding chapter a certificate of stock as "a receipt for a certain amount of capital paid into a company to enable it to carry on business." This definition hardly accords with his description of the actual basis of capitalization, which he considers to be real or supposed earning power—not implying a transfer of property or services in exchange for more than a portion of the stock issued. This practice, as it is at present carried on, he considers to be socially dangerous, involving frequent deception of the investor, and concealment of real profits from possible competitors, also, in some cases, conceivably inciting directors to keep up prices for the sake of temporary dividends which are designed to call attention to the value of their salable stock, whereas their interest, as managers of an industry, would incline rather to a lower scale of prices, ensuring a sustained prosperity. The remedy indicated by Professor Jenks is publicity. It is to be doubted whether the advocates of publicity have clearly understood the nature of the evil which they seek to amend. In so far as the over-issue of stock results from undue payments to promoters and underwriters, or exaggerated estimates of the previous earning capacity of plants, publicity may serve as a corrective, but so far as new capitalization is based upon estimates of the profits to be derived from an entirely new form of industrial organization, the value of these estimates, and by consequence, the value of the stock, can only be shown by the result. The trust promoter issues stock on the basis of large promises, whose measure of fulfillment only the future can reveal. Publicity, it will be easily seen, cannot perform the rôle of prophesy. Publicity as to present facts is effective; but to the future, it has no application.

In the chapter on organization and management, the author gives a clear statement of the forms of industrial combination in the United States—the "Pool," the "Trust" and the large corporations owning the stocks and plants of numerous other companies. The methods of management, he concludes, give too large discretion to the directors, who have often abused the trust, to gamble in the securities of their corporation, but on the other hand, there is the danger that if too large power of examination be given to stockholders, important business secrets may be revealed to competitors. The weight of this alternative is doubtful. It is deprived of all force by the provision that holders of a certain large amount of stock may have, at all times, full liberty of inspection and criticism.

In Chapter VII a discussion of prices presents the most important results of Professor Jenks' investigations. His object is to determine, by a study of the prices of different articles produced by the trust, whether, as a matter of fact, they have used the power to raise prices above the competitive level which they are supposed to possess. His method is to examine over a series of years the prices of sugar, whiskey, petroleum, tin plate, billets and wire, as typical trust products, and to determine by a comparison between the price of the raw materials and of the finished products, whether the margin of profit has been increased under trust control. On the whole, he concludes, although with many cautions and qualifications which inspire faith in the accuracy of his conclusions, that the prices which he examines are higher under the control of the trusts. A serious defect in this chapter is the complexity of the various charts which are inserted as an aid to comprehension. The intention of these charts is to show the variation of the margin between raw material and finished product over a series of years. Instead, therefore, of representing the various items from which this fact is ascertained, in a complex arrangement difficult of understanding, a more satisfactory method would have placed upon the chart merely the lines representing the margins of differences which would thus be emphasized and clearly distinguished. The arrangement employed in these charts is the more unsuitable in view of the audiences which Professor Jenks aims to address. He has carefully and most considerably omitted the distressing profusion of foot-notes and references which scientific writers advance in evidence of their reputability, and which often make the reader's path through their ring-streaked and speckled pages a rough and stony journey; a reconstruction of these charts appears therefore to be the one thing needful to bring the book fully within the scope and compass of the common mind.

In Chapter IX, the relation of the trust to the wage-earner is considered. The author points out that the larger organization of manufacturing industry has given increased power over the laborers employed in the various plants, for the reason that a strike in one plant can be followed by a transfer of orders to some other, allowing the disaffected employes to remain out indefinitely, without their being able in any way to injure the combination. This result of the trust, however, Professor Jenks considers to be a temporary evil, since he is inclined to believe that the larger organization of labor to meet the advantage of capital will follow, enabling the workingman to claim a large share of the fund available for wages or profits which the economies of the trust have created.

Under the heading, "Political and Social Effects," special attention

is given to the charge so often brought against the trusts that they stifle enterprise and bar the door of opportunity against the ingenious and energetic who are well fitted to succeed as independent producers. The author admits the qualified truth of this charge, and notes especially the growth and prevalence of nepotism in large corporations, but he offers as a compensation the elimination of the unfit from independent business activity. Many men enter business who are entirely unfitted for self-direction and society is at the expense of supporting these incapables often for considerable periods, weeding them out only by the drastic and purging processes of panic and liquidation. By placing the direction of industry in the hands of the more capable, business is made more stable and mistakes more uncommon. A suggestive passage attempts to show the growing dependence of every member of society, beginning with the highest, upon his fellow-men. Social complexity means increased responsibility, and the relation of subordination, now well nigh universal, does not preclude the exercise of the greatest initiative and skill. Professor Jenks might have gone further and shown how futile and barren of all social good are the methods by which most business success is achieved, and how great a blessing to society will prove a general organization of industry which will turn the world's brain power from finance, which means competition to industry, which means social welfare.

In the final chapter the discussion is summarized and a few tentative remedies are suggested, *i. e.*, increased power to be conferred upon the interstate commerce commission, amendment of the patent law to throw open the use of every patent on payment of a royalty to the inventor; reduction of duties, always, however, with the fear of international combination in mind, and above everything else, publicity for the consumer, the wage-earner, the possible competitor and the investor. These remedies are cautiously advanced, and the final word of the author to those who would reform the trusts is to make haste slowly, and to understand the question better before attempting to deal with it on a large scale. A valuable aid to a better understanding of the trust problem is this fair, deliberate, cautious and exhaustive discussion, which should serve as a model to all those who write on present day problems and who are so often misled by their faulty perspective.

EDWARD SHERWOOD MEADE.

*University of Pennsylvania.*

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*Government or Human Evolution. Justice.* By EDMOND KELLY, M. A., F. G. S. Pp. xv, 360. Price, \$1.50. New York: Longmans, Green & Co., 1900.

This book follows the method of contrasts, a method which accords

well with its controversial character. Its object is practically controversial rather than theoretically polemic, the primary motive being to win men to action rather than to settle or unsettle articles of scientific faith. The animus of the book flows from differences among municipal reformers. A few years ago the city of New York found itself possessed of a City Club, supposedly containing the best and most public spirited men in the city, and various Good Government Clubs, affiliated with the City Club, but spread throughout the city and intended to comprise a more popular membership. To make a long story short, the movement implied in this organization as a whole failed of practical result because of the half-heartedness or absolute opposition to action manifested by the City Club. This body defended its attitude on the ground of a supposed doctrine of *laissez faire*. Mr. Kelly's book is devoted to a discussion of the attitude which should be assumed by such organizations and the philosophical reasons for such an attitude.

It is evident that the City Club cannot defend its passive attitude on the ground of *laissez faire*, for the simple reason that *laissez faire* is not a doctrine of passivity. That it is widely understood to be such by non-economic writers and speakers is an unfortunate fact and one that causes a deal of wasted rhetoric. The maxim arose from the practical observation that legislation only too frequently hinders individual enterprise; the doctrine simply formulates a prohibition upon interference with enterprise. How such a formula could be twisted into a defence of passivity is a problem for the psychology of the abnormal. The misinterpretation may partly be grounded in mistranslation, and the latter is probably the unconscious offspring of that incurable attitude of mind which sees a cure-all in legislation. The popular philosophy holds that nothing is being done if it is not done *en masse*, by edict and proclamation. The untrained mind is unable to watch the growth of a plant; it is affected only by cataclysms, earthquakes, meteors, and the like. To this primitive inability to differentiate is to be traced the popular philosophy of government as occupying the whole field of social action, and Mr. Kelly has unfortunately added his mite to augment this widespread socialistic error. The popular materialistic mind is awestruck by the very penumbra of a democratic statute or a royal proclamation, but is purblind to the effective social laws of the human mind.

Instead of criticising the erroneous nature of the interpretation of *laissez faire* made by the members of the City Club, Mr. Kelly falls in with that interpretation and denies the truth of the whole doctrine. He then attempts to find the philosophic ground for man's activity in general. In doing so he does not hold fast to his first interpretation



of *laissez faire*, but argues also in favor of specific legislative interference (pp. 272, 297, 337). He further states that human effort should pre-eminently follow legislative channels.

With this looseness of argument falls in naturally a corresponding looseness in the definition of government. Instead of regarding government in the usual way as an instrument of defined powers and duties, he assumes that it is the instrument of all positive social effort. Government is the maker of all artificial environment (p. 40). Government is social control consciously set up (p. 267). Progress is due to governmental action as shown by ancient history (pp. 208-9).

As remarked, the book proceeds on the method of contrasts. It is consequently open to all the objections which may be raised against that method. Conscious effort is defended or justified by showing that it is a characteristic of human evolution *as opposed* to organic evolution. But does conscious effort need justification, defence, or proof? The attempt is to prove that the members of the City Club should *act*, and the proof is that human societies advance by action and effort, *whereas* organisms advance by selfish and destructive evolution. But wherefore this "whereas?" Does it help the proof of human effort? This method of reasoning may be set down as antiquated. The method of contrasts too often falls into this rut of negative inference. The author's object would evidently have been much better attained by the adoption of the modern method of continuity. Had he only shown that effort is inherent in *all* progress and that the phenomenon of human consciousness appears through infinitesimal differentiation out of and away from the lowest organisms, his argument would have been more sound and conclusive. Effort would then be proved to be necessary to progress because it is universal in progress. This surely is a stronger argument than the attempt to prove its necessity by its limitation to the human stage of evolution. It may be noted that a fundamental phase of thought which has misled Mr. Kelly into the confusing method of contrasts is a predilection for a rather pronounced type of the doctrine of free-will. Not finding free-will in the less advanced forms of life, he assumes that it must exist in the more advanced, and hence falls into the method of contrasts, at divers points in his book making long lists of contrasted relations with reference to human and organic evolution (*cf.* p. 295).

While this book carries an air and animus of practical controversy, it follows in many respects the method of scientific exposition. A fundamental definition is given at the beginning which contains the terms most apt to further the arguments that follow. Evidently it is upon the interpretation of the term "natural" that these arguments are to depend. After a very interesting disquisition on the use of this term

in literature, our author comes to the conclusion that it best serves his purpose to exclude from the term whatever pertains to human effort. This use of the term is harmonious with the author's views as to free-will and as to the logic of contrasts, already noticed. If, on the other hand, he had chosen to proceed by what seems to be the preferable method of continuity, he would have allowed no exception to the logical extent of the term. It is possible that the author's use of the term comes closer to its popular use; but it must be remembered that the author's method of reasoning comes closer to the popular method. That alone is natural, according to Mr. Kelly, which characterizes those forms inferior to man. We shall see whither this definition leads.

Although Mr. Kelly declares his intention to stick to "facts" alone, he dwells constantly on the injustice of nature (pp. 288, 309); justice is defined as the effort to protect the individual from natural laws (p. 301); justice is the struggle of morality against sin, sin, of course, being characteristic of natural laws, and morality of non-natural human evolution (p. 323); we should study nature and then decline to follow her (p. 215) (although our author does, in places, admit that man must study natural laws in order to find which are inevitable and which can be successfully overcome) (pp. 305, 329, 332, 349); in fact, human evolution bears a remarkable resemblance to natural evolution (p. 170); when genius is not appreciated, it is the fault of nature (pp. 217-218); industry is natural and hence hostile to progress (p. 221); the evolution of the horse from its primitive ancestor resembles that of the locomotive from the wheelbarrow merely in so far as organic analogy is concerned (p. 241); the philosophy of effort begins to apply where organisms cease (p. 244); organisms are always opposed by wisdom (pp. 270-97).

Our author's method naturally leads to the conclusion that there is a natural and a non-natural environment. Just as human effort is non-natural, so is the "artificial" environment created by human effort also non-natural. The result of this handling of the subject must be that soon after we have passed the point in the scale of evolution (wherever it may be) where our author concludes to signalize the entrance of effort into the arena of progress, the environment becomes rapidly non-natural. The thinking and acting subject is himself, of course, non-natural, and the whole world that interests us is, therefore, non-natural. The higher we progress the further we separate ourselves from nature.

Mr. Kelly concludes that justice consists in the attempt to create the best artificial or non-natural environment (pp. 359-60). Such an environment is to be recognized from its conducting to man's happi-

ness (p. 333); and, again, happiness is to be induced by creating an environment favorable to morality (p. 335). But, after all, are these ideals so easily created? Is morality a cause of ideas without being an effect of circumstances? It seems as though Mr. Kelly should openly declare himself an intuitionist. Man and his environment are both of them arbitrary, non-natural, and, in fact, supernatural. The moral motive being the cause of everything, no cause is left for it. Lacking efficient cause, it also lacks final cause. There is no incentive to being moral if nothing is to be gained by morality outside of morality itself. A morality that is caused by nothing, that leads to nothing, and that is related to nothing not caused by itself, is a very uninteresting conception.

It would seem simpler and it would involve less circuitous reasoning, were we to make the assumption of continuous progress from a materialistic to a psychic state. At each stage of progress the past experiences would have tended to modify the environment and to form a part thereof. The future would be open to new adjustments stimulated by force (coming from the sun, if you please, and registered upon the sentient brain). Thus at every stage there would be a relatively psychic future, *i. e.*, open to modification by man, and there would be a relatively materialistic past. From the point of view of the individual, these stages might well be regarded according to Professor Simon N. Patten<sup>1</sup> as a series of partially fixed environments, each "wider" and better adapted to psychic life than its predecessor. This suggestion is offered in all humility and with some recognition of the difficulties of the problem involved and also of the obligations of the critic.

However, the method suggested offers no consolation to the members of the City Club. Whether they interpret *laissez faire* rightly or wrongly, progress does take place by effort. Mr. Kelly's book is thoroughly readable, and will be welcomed by those who desire to brush up biological analogies in connection with political and economic studies.

W. G. LANGWORTHY TAYLOR.

*University of Nebraska.*

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*Studies in the Politics of Aristotle and the Republic of Plato.* By ISAAC ALTHAUS LOOS, Professor of Political Science. Bulletin of the University of Iowa: Studies in Sociology, Economics, Politics and History, Vol. I. Pp. 296. Price, \$1.00. The University Press, 1899.

In this volume Professor Loos has embodied a sort of abridgment

<sup>1</sup> "Theory of Social Forces."

of the two works named in the title, with special reference to the more purely political and sociological doctrines contained in them. The bulk of the work is a combined summary and paraphrase of the Greek philosophers' texts, on the lines of Jowett's familiar work, from which much of the matter is taken. The purpose of Professor Loos in putting forth such a volume is, in his own words, to do "for the social and political philosophy of Aristotle and Plato what has long since been repeatedly done for their psychology and metaphysics, namely, to expound their leading conceptions on social subjects in systematic form, and by the aid of a modern terminology to bring them within the comprehension of readers unskilled in Greek dialectic or characteristic modes of Greek thought."

That this excellent purpose is wholly achieved, I am inclined to think is a little doubtful. The author shows that he is a thorough and sympathetic student of Aristotle and Plato, as well as an adept in contemporary political and social science. But the form in which he has cast his studies does not seem well adapted to clarify the thought of the Greek philosophers or to make it more intelligible than it has been made by the translations of Jowett and Welldon which are so freely drawn upon. The general effect of the work is rather disjointed, and in many places the reader is kept in a state of constant tension to determine whether the thought before him is that of Aristotle or Plato or of Professor Loos. It would probably be no rash conjecture to surmise that Professor Loos has printed some lecture notes, without an opportunity to give them the radical overhauling that is necessary in order to compensate for the absence of oral commentary.

In dealing with Aristotle, the author ventures to ascribe to the Greek philosopher a "theory of administration," which is found embodied in a number of scattered parts of "The Politics." That Professor Loos does a useful thing in grouping these various passages under a single suggestive head is unquestionable, but that Aristotle formed a conception of "administration" in any sense resembling that of the technical term of modern science, cannot, of course, be held for a moment. Indeed, it is very uncertain what the precise scientific connotation of the term is to-day; certainly the sense in which Professor Loos uses it is quite distinct from that employed by Professor Goodnow in his recent work on "Politics and Administration." In one respect, however, the grouping of Aristotelian ideas adopted by Professor Loos is admirable, though it interferes sadly with venerable custom. The famous "Theory of Revolutions," which has always stood complete and alone in every analysis of "The Politics," is made a mere incident of the "theory of administration,"

appearing under the caption: "Causes of Failure in Administration." This innovation, shocking as it is to the sensibilities of those who know their Aristotle on the old lines, is nevertheless quite justifiable. For what Professor Loos says is strictly true: "These causes of revolution as sketched by Aristotle are . . . chiefly, though not exclusively administrative."

It is unfortunate that the proof reading should have contributed much to obscure the thought of both the Greeks and the American. One can easily see that the suspiciously modern "Horner," whom Aristotle is made to quote (p. 122), is merely the printer's version of "Homer;" but it is not so easy to understand what is meant by this sentence on the same page: "That man is a political animal that is a social animal in a fuller sense than any tree or gregarious animal is evident from another line of reasoning . . . ;" and "seditious and political resolutions" (p. 115) is a dangerously plausible substitute for "seditions and political revolutions." There are very many similar errors in the book.

WM. A. DUNNING.

*Columbia University.*

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*Colonial Civil Service.* By A. LAWRENCE LOWELL. With an Account of the East India College at Haileybury, 1806-1857. By H. MORSE STEPHENS. Pp. 346. Price, \$1.50. New York: The Macmillan Company, 1900.

Professor Lowell has given us a most interesting and timely discussion of the methods of choosing and training colonial officials in England, Holland and France. We Americans are not inclined, as a rule, to seek political instruction from other countries, but the colonial question, or rather the colonial questions, are so new to us and the experience of other countries along these lines so interesting, that Professor Lowell's work may be read with profit by all those who are anxious to see an efficient administration established in our new territories. In his introduction the author dwells at considerable length upon the necessity for a special and distinct colonial service, separate from the home organization. The qualifications necessary for a civil service in tropical or Asiatic colonies are, he declares, quite different from those required for the home service. In the colonies special training is required; familiarity with the language, the customs and habits of thought of the people and the peculiar economic and social conditions of the country are necessary. ". . . Oriental and Western civilizations are so different that years must pass before an official becomes thoroughly efficient; and no man of parts will undertake those years of preparation if he is liable to be thrown back on the

world to start life all over again after he has proved himself a valuable public servant. The colonial civil service must therefore be a lifelong career." The author takes up in succession the countries named above and describes in some detail the preparation required of candidates for the colonial service in each country.

The English entrance examinations for all higher branches of the service are about the same. Some distinction is made between different divisions of the service, for example, the Indian service, the Oriental service, etc., but the qualifications are substantially similar. There is an open competitive examination held in August at London by the Civil Service Commission. Candidates are given a wide choice of the subjects in which they shall be examined, a certain relative weight or importance attaching to each subject. The subjects which may be chosen are *not* those which bear upon the work of the office to be filled but those which possess a general educational value. The English consider it essential that the civil official in the colonies should be a "gentleman." It is also sought to attract university graduates. In these respects the English civil service examinations are distinctive. The American reader of Professor Lowell's book will be especially struck by the fact that the English do not place emphasis upon those examination subjects which in America would be called "practical." Among the most important studies covered by the examination are English Composition, Sanskrit, Arabic, Greek, Latin, English Literature, French, German, Mathematics (Elementary and Advanced), Natural Science, History, Political Economy, Political Science, Roman Law and English Law. The papers are severely marked and an average of 66 per cent is considered quite high. It is important to note that the number of natives applying for the East Indian examinations is exceedingly small. On an average only four or five per year pass the examinations. Those candidates who have been successful in the examination then enter upon a year of probation, usually in England. During this time they begin the special and practical preparation for their particular duties in the colonies. The government makes an appropriation of £100 to those candidates who spend the probationary period at one of the British universities. The universities on their part give special attention to the training of these probationers. At the end of a year the final examination is held, which covers the following subjects:

COMPULSORY.

1. The Indian Penal Code and Criminal Procedure Code.
2. The Principal Vernacular Language of the Province to which the Candidate is Assigned.
3. The Indian Evidence Act and the Indian Contract Act.

## OPTIONAL.

(Not more than two of the following subjects, of which one must be either the Code of Civil Procedure or Hindu and Mohammedan Law. Candidates offering one subject only are restricted to a choice between the two Law subjects specified.)

1. The Code of Civil Procedure.
2. Hindu and Mohammedan Law.
3. Sanskrit.
4. Arabic.
5. Persian.
6. History of British India.
7. Chinese (for candidates assigned to the Province of Burma only).

After this training candidates are definitely appointed to the district and begin a practical apprenticeship in the actual duties of their respective offices. The officials thus chosen make up the higher but not the highest grades of the service. The lower ranks are usually left to natives while the highest positions are political appointments.

In addition to the above there is a special training for certain special branches of the service, for example, forestry, engineering, post and telegraph service, etc. The outline given above applies with slight modifications to the Indian service, the Eastern Cadets, including the service in the Strait settlements, Ceylon, Malay Peninsula, etc. These are the only branches of the colonial service recruited by open competition. The self-governing colonies—Canada, Cape Colony, Australia—appoint their own officials, according to their own regulations. In the Crown colonies the extent of the service is not great enough to warrant separate regulations, and in some cases, for example, in the West Indies natives fill the positions, while in Africa the British possessions are mostly protectorates or are ruled by chartered companies.

In Holland the general service is divided into two main branches, executive and judicial. The executive officials are prepared at the East Indian School at Delft, the judicial officers at the University of Leyden. The Dutch training differs from the English in being considerably more specialized. Nominally, the colonial examinations are open to all, but in practice only those who have prepared at the schools named above can pass the examination. The examinations are quite practical in character. Instead of giving a general examination upon a wide series of subjects before the commencement of special training for the office, the Dutch place this examination after the training. The result is unsatisfactory, according to Professor Lowell, and a Dutch commission, which was recently appointed to investigate methods of training for the colonial service, has reported in favor of what is virtually the English system. As in England, so in Holland,

special branches of the service of a technical nature are recruited by means of special examinations. The system outlined above applies only to the Dutch East Indies, the other Dutch colonies being comparatively insignificant.

In France admission to the colonial school is determined by competitive examination. There is a preparatory course of one year leading to this entrance examination, while the course in the school itself is two years in length, making a total of three years. The school is divided into sections with different courses, according to the colonies for whose service the student is preparing. Owing to the exigencies of French politics the school furnishes only a part of the colonial officials of the country. The proportion which it furnishes has been in some cases fixed by decree. Unfortunately the French methods have not been in operation for a sufficiently long time to permit of a decision on their practical value.

The author concludes his work with a discussion of the needs of the United States in establishing a colonial civil service. He is convinced that the experience of Holland and England shows: "First, that the men selected for the service should have a high general education, in fact as high a general education as it is possible to give; second, that the selection should not be based in any way upon the special preparation of the candidates for the colonial work, but should be made before that special preparation takes place; and third, that a great deal of special preparation is not needed before the selected candidates are sent to the East to begin their active apprenticeship upon the spot."

The English system, the author adds, cannot be adopted here, because of the widespread aversion to preserving positions for college graduates. Professor Lowell, therefore, advocates the establishment of a special colonial school, under government control, with a four-year course of instruction leading directly to a colonial appointment.

As an appendix to the work, Professor Morse Stephens has written a description of the East Indian College at Haileybury, which formerly trained candidates for the service of the East Indian Company. Professor Lowell's conclusions are in the main favorable to the establishment of such a college. He says that the chief advantages of such a college as Haileybury "are not so much in the actual instruction afforded, as in the association together of young men intended for a career in common, in which they specially need the traditions of a noble service, while laboring side by side for the promotion of the welfare of the peoples of the East."

Professor Lowell's conclusions will be accepted by most Americans in view of the peculiar difficulties encountered by civil service officials



engaged in colonial administration. The appointments to the American colonial service thus far have fortunately been of such a character as to start our colonial enterprises under the most favorable conditions, but after military control of our possessions is withdrawn it will be necessary to establish some permanent system of training for this peculiar branch of the civil service. It is hard to see how even the most violent opponents of the civil service system can be opposed to such special training as that given at West Point and at Annapolis, and, if it be granted that the government of colonies presents peculiar questions for solution by the government official, it must also be admitted that special qualifications should be required for appointment to this branch of the government service also. Professor Lowell's contention, briefly summarized, is that these special qualifications can only be acquired as a result of long training, and that this training can be most readily given in a special school. The entrance examinations at West Point and Annapolis cover mainly those subjects which are of a general educational rather than an immediate practical value, so that a similar character might well be given the examinations for entrance to the Colonial School.

JAMES T. YOUNG.

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*Supplement to the Nouveau Dictionnaire de Géographie Universelle.* 2 vols. Price 44f. Librairie Hachette et Cie. Paris, 1900.

*The International Geography.* By Seventy Authors, with 488 illustrations. Edited by HUGH ROBERT MILL, D. Sc. Pp. xx, 1088. Price, \$3.50. New York: D. Appleton & Co., 1900.

The supplement to the "Nouveau Dictionnaire de Géographie Universelle" is now complete, and the publishers have brought to a successful termination the monumental task which they began a score of years ago. In 1894, the seventh and last volume of the main body of the work was published, the first volume having appeared nearly a decade earlier. The main features and importance of the dictionary were noticed in the review published in the ANNALS, Volume VIII, pages 188-190.

It had taken so many years to bring out the main body of the work that the publishers felt it necessary, immediately upon the completion of the seven volumes, to begin the preparation of the supplement. When they undertook the supplement it was supposed by them that the material for it could be kept within the limits of a single large volume, and that this volume could be finished within two years. However, as the work on the supplement progressed, it was found that two large volumes would be required, and it was not until 1900 that these two volumes were completed. This delay of four years in the completion of the supplement has been an advantage rather than

otherwise, because it has enabled the authors and publishers of the supplement to deal with the numerous recent important changes that have taken place in the political geography of the world and has permitted them to present in a satisfactory way the considerable additions to geographical knowledge that have been made during the past five years. The articles on such regions as the Soudan, the Philippines, Indo-China, and even the Transvaal, are thoroughly up to date.

The general purpose of the supplement is to present only such information in regard to the various places discussed as was necessary in order to bring the articles in the main body of the work down to date. In the articles contained in the supplement the same general plan of treatment has been followed that was adopted for the original work, and with very satisfactory results. The supplement and the original volumes constitute a comprehensive work of solid merit, and the publishers and the public generally are to be congratulated upon the successful termination of this most valuable dictionary.

When "The International Geography" was announced, teachers and general readers of geography were much interested; but not a few persons felt that the difficulties in the way of the construction of a satisfactory general treatise on the geography of all the world were so great that the chances for failure were quite equal to the prospects of success. The work, however, must be voted a genuine success. The editor has succeeded in securing the co-operation of an unusually large number of eminent specialists, and he has edited their various contributions with discrimination.

The book is divided into two general parts, the first 122 pages being given to a rather brief discussion of the principles of geography. Part two deals with the geography of the continents and countries, a chapter of the book being devoted to a description of the polar regions.

So many well-known writers have contributed to the volume, that it seems almost invidious to make special mention of any individuals; nevertheless, for purposes of illustration, the fact may be mentioned that the continent of Europe and the Chinese Empire are treated by Chisholm; political and applied geography are discussed by J. Scott Keltie; Professor Kirchhoff, of the University of Halle, contributes the article on the German Empire; explorer Nansen writes on the Arctic regions; the continent of North America and the United States are treated by Professor Davis of Harvard University. The scholarly character of all of Professor Davis' work is such as to give assurance that his contribution to this volume would be of a high order of merit. The editor was liberal in the amount of space granted to Professor Davis, and sixty-four pages are devoted to the discussion of the United States. After giving a brief résumé of the

historical and political geography of the United States, Professor Davis takes up regional geography, dividing the country into those physiographical divisions which he has adopted in former writings.

Persons teaching geography to high school and college classes, will find this work an excellent one for the students to use as collateral reading, and doubtless a systematic teacher of advanced political geography may make this a successful college text-book. The success of the college teacher will, in this case, depend upon his ability to unify and vivify his work. The volume will find an appropriate place in the library of every general reader of geography.

EMORY R. JOHNSON.

*Washington, D. C.*

## NOTES ON MUNICIPAL GOVERNMENT.

### AMERICAN CITIES.

**Boston.**—*Amalgamation.* The recent census has brought to the fore in many congested regions the question of amalgamation and administrative reorganization. The question is discussed in the following notes from various cities. While there has been a very general movement toward concentration of power where congestion of population exists, Boston and its populous suburbs have hitherto resisted the temptation to sacrifice individuality in exchange for a higher rank in the population column or for the possible administrative advantages. The problems presented, however, have demanded some co-operation. The state has attempted to solve the difficulties by the appointment of metropolitan commissions. Mayor Hart of Boston has kindly discussed in the following brief note to the editor the question of amalgamation from the standpoint of Boston's interest:

MAYOR'S OFFICE,

BOSTON, MASS., September 11, 1900.

DEAR SIR: The interest shown in our metropolitan areas (those for postal, water, sewer, park work are not alike) is not general, I think. Now that bills fall due, the friends of metropolitan arrangements are likely to grow less.

Your question, why Boston does not annex Cambridge, Somerville, etc., is easily answered: Our history of such annexations proves that Boston proper is taxed to give suburbs more than they pay for. Boston has annexed Brighton, Dorchester, West Roxbury, etc. You can compute what they pay and what they cost the city treasury. Brookline does not wish to be annexed, because it is rich, and not anxious to be taxed for poor wards.

Our metropolitan commissions (police, water, sewer, park) are apparently an anomaly. Their power they derive from the state, which does not pay the bills, and cannot be said to exercise supervision. Such commissions are theoretically a violation of home rule; in practice, American cities are under the absolute control of state authority, and our metropolitan commissions here owe their existence in law to the fact stated. It is right to add that our metropolitan commissions have conducted themselves very well.

The mischief in city government is largely due to the fact that cities have so very few rights which the state is bound to respect. Perhaps it is a mistake to enlarge these dependent communities. Experience can hardly be said to justify the artificial combination of such

unwieldy communities as greater New York or metropolitan Boston. Municipal Boston is rather large for many purposes. How one man can manage our street department, for instance, is not quite clear.

Personally, I have no wish to annex Cambridge or Somerville, and I trust that our metropolitan commissions may cease. I wish the legislature would make general laws only, and I desire that every municipal corporation manage its own affairs and take the consequences. Congress cannot govern states; states cannot govern cities.

Very truly yours,

THOMAS N. HART.

**Buffalo.—Amalgamation.** There are no "populous suburbs" which seek annexation to Buffalo, and the subject is only occasionally mentioned in our papers. I suppose one reason why there is little interest in the matter is the fact that there is a vast quantity of unoccupied land in the present city limits—almost enough, I should think, to contain double our present population, without overcrowding; and most of it, too, is eligible for residence purposes, needing only rapid communication with the business centre to become popular for that purpose. We do not need to enlarge our boundaries at present, and there is no movement in that direction.

*Voting Machines.*<sup>1</sup> Buffalo will use its voting machines in the coming election. They have been shipped to Rochester to receive certain improvements which the company, under its contract, is bound to furnish the city free of charge. One of them is numbering the points of the indicators so as to reduce the chance of the voters making a mistake when "splitting."

Voting machines are to be used in the following places: Rochester, Utica, Ithaca, Elmira, Poughkeepsie, Auburn, Oswego, Rome, Gloversville, Johnstown, Hudson, Glen's Falls, Batavia, LeRoy, Shelby, Medina, Middleport, Gasport, Royalton, Pittsford, Winfield, Canisteo, Albion, Niagara Falls, Syracuse and Jamestown.

**Pittsburg.—Amalgamation.** The area and population under the jurisdiction of the municipal corporation is but a small part of the community designated as Pittsburg. The municipal area lies on both sides of the Monongahela River, but is bounded by the Allegheny River on the north, and the area north of that river is under a distinct municipal corporation—Allegheny City. In every other respect Allegheny City is an integral part of the community. There is not a street car line in Allegheny City that does not run into Pittsburg. The same is true of McKeesport, southeast of Pittsburg on the Monon-

<sup>1</sup> Communication of A. C. Richardson, Esq., Buffalo, N. Y.

gahela River. It is essentially an integral part of the community, but it has a city charter of its own. Adjacent to Pittsburg are various boroughs, whose territory is traversed by the Pittsburg street railway system, but although there is no perceptible demarcation in streets and buildings they have their distinct frame of government. But the residents of such boroughs regard themselves as Pittsburgers and designate themselves as such when registering at hotels.

The law of Pennsylvania brings the entire population of the state under county government, and provides facilities by which any local centre of population can obtain from the courts a township or a borough charter as its population may warrant. When its population reaches a certain limit it becomes subject to the general law of municipal incorporation and becomes a city of the third class. Further increase of population to a certain number makes it a city of the second class. The population requirement for a city of the first-class is such that it can be satisfied by Philadelphia alone. Both Pittsburg and Allegheny are cities of the second-class, and McKeesport is a city of the third-class.

Both Pittsburg and Allegheny have grown by accretion of boroughs, but the tendency seems to have been arrested, and under existing laws it is not difficult to obstruct an annexation movement. Over five years ago an effort was made to bring the community in its entirety under one municipal jurisdiction. Greater Pittsburg, as thus delineated comprised three cities, forty-four boroughs and twenty-seven townships. The population of this area is 722,129 while that of corporate Pittsburg is only 321,616. At present Pittsburg stands thirteenth in the list of cities by population. Greater Pittsburg would stand in seventh place. Its commercial rank, as indicated by bank clearings, is already that of sixth place, being ahead of Baltimore and close to St. Louis. The area of corporate Pittsburg is 28.392 square miles; that of Greater Pittsburg is 316.22 square miles, not quite half Allegheny County, the area of which is nearly 700 square miles.

The greater Pittsburg movement resulted in the passage of the Act of May 8, 1895, providing that an election on the question of annexation could be held on the petition of five per cent of the qualified voters in the district which it was proposed to annex. Soon after the movement sustained a fatal check by the breaking out of a faction war in the Republican state party organization. The Pittsburg politicians were afraid to complicate the faction struggle with the annexation issue, and procured the passage of the Act of May 25, 1897, which repeals the annexation act of 1895. The law as it now stands makes no provision for the annexation of cities, and proceedings for the annexation of a township or borough may be begun only on the

application of three-fifths of all the taxable inhabitants of said district. At present it cannot be said that there is a strong sentiment in favor of annexation. So far as streets and lighting and street railways are concerned, they are virtually parts of the city. Pittsburg pumps its water supply from the Allegheny River, which is very subject to pollution, and typhoid fever is prevalent, so that there is at present no inducement towards annexation on that score. Pittsburg is now putting in a filtering plant, and when the benefits of pure water are realized advantages of annexation may be more attractive. The educational advantages to be gained would be simply those of free access to the Pittsburg high schools. As regards lower schools, each school district is a governmental unit, electing school directors and levying school taxes, so that annexation would make no change in this respect. Some of the local aggregates of population feel that their needs can be better provided for under a borough form of government controlled by themselves than under the general jurisdiction of Pittsburg municipal government in which their proportionate representation would be small. Annexation sentiment is strongest in Allegheny City, whose government is not so satisfactory as that of Pittsburg, although carried on under the same charter provisions.

The following table comprehends the various districts included in the area of greater Pittsburg—the population figures being based on the census of 1900, so far as known, and in lieu of official figures upon the best obtainable estimates:

	Popula- tion.	Area sq. mile.	Assessed value.	Tax rate.
<b>CITIES.</b>				
Pittsburg . . . . .	321,616	28.392	\$321,696,550	<sup>1</sup> / <sub>19</sub>
Allegheny . . . . .	129,896	8.00	82,582,800	<sup>1</sup> / <sub>15.5</sub>
McKeesport . . . . .	34,227	5.00	16,324,825	<sup>8</sup> / <sub>19</sub>
<b>BOROUGHES.</b>				
Aspinwall . . . . .	1,231	0.25	864,945	16
Avalon . . . . .	2,130	0.44	1,518,910	19
Braddock . . . . .	15,904	0.46	5,674,955	20
Ben Avon . . . . .	848	0.33	841,385	19
Bellevue . . . . .	3,510	1.03	2,802,975	17 <sup>1</sup> / <sub>4</sub>
Carnegie . . . . .	7,332	1.01	3,101,285	17 <sup>1</sup> / <sub>2</sub>
Crafton . . . . .	1,924	0.58	1,652,483	12 <sup>1</sup> / <sub>2</sub>
Coraopolis . . . . .	2,555	0.72	1,465,255	20
Duquesne . . . . .	9,036	1.13	3,847,250	20
Etna . . . . .	5,385	0.62	2,118,658	17
Emsworth . . . . .	960	0.58	618,560	20 <sup>1</sup> / <sub>2</sub>

	Popula- tion.	Area sq. mile.	Assessed value.	Tax rate.
Elizabeth . . . . .	1,865	0.35	691,705	21
Elliott . . . . .	3,143	0.28	1,153,000	<sup>2</sup> 12
East Pittsburg . . . . .	2,577	0.35	1,486,770	18 $\frac{1}{4}$
Edgewood . . . . .	1,027	0.47	1,535,430	19
East McKeesport . . . . .	883	0.322	322,925	17
Esplen . . . . .	2,386	0.22	810,450	16 $\frac{1}{2}$
Glenfield . . . . .	905	0.975	375,635	14 $\frac{3}{4}$
Green Tree . . . . .	636	2.51	590,880	12 $\frac{1}{2}$
Homestead . . . . .	16,269	1.21	5,001,645	20
Knoxville . . . . .	3,483	0.16	1,688,985	13 $\frac{1}{2}$
Millvale . . . . .	6,841	0.57	2,201,630	<sup>2</sup> 10
Montooth . . . . .	895	0.132	198,705	21
Mt. Oliver . . . . .	2,301	0.16	663,015	16
McKees Rocks . . . . .	6,505	0.87	2,556,925	29 $\frac{1}{2}$
North Braddock . . . . .	6,722	1.49	4,722,105	18
Osborne . . . . .	400	0.40	431,035	10
Oakdale . . . . .	1,147	0.49	409,545	<sup>2</sup> 12
Oakmont . . . . .	2,317	0.55	1,893,475	17 3-10
Port Vue . . . . .	1,797	2.45	944,890	7 $\frac{1}{2}$
Pitcairn . . . . .	2,555	0.30	838,340	18 3-5
Rankin . . . . .	3,980	0.49	1,877,290	19
Sewickley . . . . .	3,548	0.77	3,234,435	16
Swissvale . . . . .	1,672	1.24	1,609,745	13
Sharpsburg . . . . .	7,544	0.67	3,192,535	13 $\frac{1}{2}$
Spring Garden . . . . .	1,015	0.18	374,050	9 $\frac{1}{4}$
Sheraden . . . . .	2,786	0.86	1,708,740	15 $\frac{1}{2}$
Turtle Creek . . . . .	2,574	0.57	2,071,890	19 $\frac{1}{2}$
Tarentum . . . . .	5,472	0.76	1,758,105	19 $\frac{1}{2}$
Verona . . . . .	1,899	0.98	787,035	22
Versailles . . . . .	852	0.44	340,100	17
West Liberty . . . . .	1,281	2.28	450,025	21
Wilmerding . . . . .	4,353	0.26	1,965,675	26
Wilksburg . . . . .	11,297	1.16	8,907,450	15 2-5
TOWNSHIPS.				
Aleppo . . . . .	623	3.19	246,745	9
Baldwin . . . . .	8,126	17.77	3,341,605	.
Braddock . . . . .	353	2.92	329,860	10
Chartiers . . . . .	3,115	2.57	2,493,965	9 $\frac{1}{2}$
East Deer . . . . .	1,952	12.91	934,675	6 $\frac{1}{4}$
Harmar . . . . .	772	7.28	5,2735	7 $\frac{1}{2}$
Harrison . . . . .	6,166	7.28	1,800,340	.
Killbuck . . . . .	1,205	2.84	224,035	10
Leet . . . . .	1,912	5.44	1,820,985	11 $\frac{1}{4}$
Lower St. Clair . . . . .	4,382	1.03	1,356,090	7 $\frac{1}{4}$
Mifflin . . . . .	8,504	23.83	5,880,850	9 $\frac{1}{2}$
Neville . . . . .	758	1.88	664,070	5 $\frac{1}{2}$
North Versailles . . . . .	4,763	9.74	1,640,575	10 $\frac{1}{2}$
O'Hara . . . . .	2,079	10.52	1,740,425	5 $\frac{1}{4}$



	Popula- tion.	Area sq. mile.	Assessed value.	Tax rate.
Plum . . . . .	1,931	30.43	1,468,670	5½
Penn . . . . .	3,282	21.10	1,861,905	5½
Patton . . . . .	2,406	20.24	1,353,240	8
Ross . . . . .	2,844	16.26	2,016,745	4¾
Reserve . . . . .	3,169	3.30	1,532,730	7
Shaler . . . . .	3,501	11.76	2,124,250	6½
Springdale . . . . .	1,012	4.09	801,075	7
South Versailles . . . . .	728	0.797	124,170	10
Scott . . . . .	3,920	10.64	2,116,285	7
Sterrett . . . . .	554	0.39	413,380	8
Stowe . . . . .	2,618	6.10	1,466,365	4½
Union . . . . .	1,285	3.58	358,560	9
Wilkins . . . . .	2,427	4.87	1,298,250	6½

<sup>1</sup> The rate given for Pittsburg and Allegheny does not include the school tax, but it is simply the city tax of 17 and 13.5 mills respectively, with the county tax of two mills added.

<sup>2</sup> In these boroughs no report was made of borough tax. The rates given for the boroughs and townships are those sent in to the county commissioners' office for the last year, with the three mills county tax added.

<sup>3</sup> The tax rate of McKeesport is made up of a city tax of ten and a school tax of six mills; to this is added the county tax, which is the same as in the boroughs and the townships, three mills.

Annual death rates in the cities for 1899: Pittsburg, 19 per 1,000; Allegheny, 15.62 per 1,000; McKeesport, 16.59 per 1,000.

**New Orleans.**<sup>1</sup>—*Amalgamation.* There is no suburban population geographically a part of New Orleans, the amalgamation being completed nearly thirty years ago. We found the effect of consolidation was to increase revenue and taxation but to diminish the cost of collection and the cost of administration.

*Census.* The census was taken at a time very unfavorable to a fair appreciation of the population engaged in business in New Orleans which is about 310,000. The census taken in June showed a population of 287,104. There are 580 miles of inhabited streets, of which over 210 miles are paved with granite, street asphalt, vitrified brick and gravel.

*Vital Statistics.* The average mortality rate among the whites for the period 1880-1899 is about 18 per 1,000. This rate is doubtless too large, for it includes deaths among non-residents brought to the various hospitals of the city. The death rate among the negroes, who compose about one-fourth of the population, is higher, owing largely to the want of proper care for children. Yellow fever causes fewer deaths

<sup>1</sup> By Benjamin Rice Forman, Esq., New Orleans.

than whooping cough. The city is now spending \$19,000,000 for drainage and underground sewage, and for a new and pure water supply. These improvements will undoubtedly largely diminish the mortality rate.

*Taxation.* The city tax is twenty-two mills: ten mills is for alimony, and ten to pay the interest on the public debt. The latter yields a sum more than is necessary to pay the interest on the public debt. The surplus is devoted to permanent public improvements. Two mills are devoted to the bonds to be issued for the sewerage and for the water supply.

The state tax is six mills on the dollar plus one mill for levies or dikes to hold in check the waters of the Mississippi.

The assessed valuation of property is \$140,000,000. Real estate is assessed at an average of about 80 per cent of its selling value, but sometimes at its full value as the law demands. Corporate property, franchises and movables are assessed from 10 to 25 per cent of their real value. If these were assessed at real value the aggregate assessment would probably exceed \$300,000,000.

*Cabinet Government.* The charter of 1896, now in force, re-enacted the provision of the charter of 1882, which gave to the executive and administrative officers of the city, seats in the city council, with the right to debate any measures before that body. No executive or administrative officer has ever availed himself of the privilege conferred. The government has always been essentially by committees of the council, which, as a rule, only ratifies and approves the acts of its committees.

**Cincinnati.**<sup>1</sup>—The official census report was a great disappointment. Instead of a population of nearly 400,000, Cincinnati has but 325,902—a gain of 9.77 per cent. She has been outstripped in the race for numbers by Cleveland, whose population is 381,768. The cause of the small gain in Cincinnati's population is easily traced; it is due to her peculiar geographical situation. Opposite her river bank are the thriving towns of Newport, Covington, Ludlow, Dayton and Bellevue, Kentucky, from which 15,000 people come daily to Cincinnati to earn their living. The electric street railroads carrying thousands of people daily far into the suburbs are also responsible for the slow growth of the population of the city proper. If Cincinnati has not as many people as Cleveland, her clearing house reports are more flattering, her postal receipts much larger and the decennial appraisalment of her property shows a greater value.

The city inaugurated this fall a festival called "The Fall Festival." Its main features were an industrial exposition, and allegorical, indus-

<sup>1</sup> Communication of Max B. May, Esq.

trial and floral parades. It has been a decided financial success, and during the ten days, September 19-29, the city has been crowded with strangers. This "fall festival" will become an annual event.

In Ohio, every ten years, an appraisalment is made of the real estate, this decennial appraisalment fixing the tax value for the ensuing decade. The decennial appraisalment of the city has been made and the same is now being equalized. In the returns the rapid growth of the suburbs can be seen. Property in the west end of the city has greatly depreciated in value, while property in the suburbs has greatly increased. The total value of the tax duplicate will be in the neighborhood of \$200,000,000, about the same as for 1890.

**Minneapolis.**—*Statistics.*<sup>1</sup> A statistical comparison of Minneapolis now and ten years ago shows considerable change in nearly every item. Area is one of the exceptions; the present area, 53.29 square miles, is exactly that of ten years ago. During the decade 1880-90 much territory was added, a large portion of which was unoccupied. In the decade just past the prevailing tendency has been to utilize this space rather than to extend the limits of the city. There seems to be no sentiment in favor of any further additions in the immediate future. The population has increased from 164,738 in 1890 to 203,718 in 1900, a gain of 23.67 per cent. It is generally believed that much the larger part of this increase has taken place during the past five years. The present assessed valuation is \$106,729,265, of which \$87,000,000 in round figures is realty and \$19,000,000 personal property. In 1890 the figures were realty \$118,826,696, and personal property \$19,159,025. The tax levy for the current year is 26.15 mills; in 1890 it was 19.3 mills. In the matter of the ownership of public utilities there has been no change in ten years. The water works alone are owned by the city. Experience with this enterprise is, as far as it goes, favorable to public ownership. The water rate is one of the lowest in the country and the department more than meets its expenses.

*New Charter.* The city is governed under the provisions of a charter dating from 1881. Numerous amendments have failed to make it wholly satisfactory and of recent years there has been a strong sentiment in favor of a new charter. In response to this sentiment a charter commission was appointed in 1898 and it submitted a charter to the voters at the general election in that year. A majority of those voting upon the proposition favored the adoption of the proposed charter, but it was not adopted as the requisite proportion of the total vote was not obtained upon the question. Last year another commission was appointed and the result of its labors will be submitted to

<sup>1</sup> Contributed by Professor Frank Maloy Anderson, University of Minnesota.

the voters at the coming general election. The prospect for its adoption does not seem bright, there being considerable opposition to it, particularly in labor circles. The most striking features of the proposed charter are: (1) Concentration of greater power in the hands of the mayor, particularly in the matter of appointments; (2) restriction of the city council more closely to legislative functions; (3) the creation of a civil service commission and the adoption to a limited extent of the merit system; (4) the creation of a teachers' retirement fund.

*New Primary Law.* Decidedly the most interesting item of municipal news is the outcome of the first trial of the new primary law, passed at the last session of the legislature and applicable only to Hennepin County. By the terms of this law party nominations for all elective offices are to be made directly by the voters themselves. The method of securing that result is as follows: The county auditor prepares for each recognized political party a ballot containing the names of all duly announced candidates for each office; upon the first registration day, which is seven weeks before the general election, the regular election judges offer to each voter as he registers the ballots of all the parties; the voter retires to a booth, checks off his preferences upon the ballot of the party with which he regards himself as affiliated, and returns it with the unused ballots to the judges; the results are canvassed by the judges and the persons receiving the highest vote upon each party ticket are declared the party nominees. Regarding the popularity of the new system the recent trial leaves no manner of doubt; over two-thirds of the total vote of the city were cast. Regarding the quality of the nominees the result was not so favorable in all cases. The contest for the Republican nomination for mayor was very spirited and resulted in the selection of a man who, by universal admission, would never have been nominated by a convention and who is exceedingly distasteful to a large portion of his party. The claim is made that some Democrats voted the Republican ticket in order to impose upon the Republicans a weak candidate. On the other hand the outcome of the aldermanic contests was distinctly better than would probably have been the case under the old system. Four former aldermen, notorious as members of a "combine," two of whose members were convicted of bribery and all of whose members were suspected of boodling, were defeated, although the pre-election prospect for their success had been very bright. Probably all of these men would have been nominated under the old system and three of them would have been elected, as they reside in wards where party nomination is almost equivalent to an election. The cause of good government is the gainer by their defeat.

## FOREIGN CITIES.

**Municipal Trading in Great Britain.**—In a preceding number of the ANNALS<sup>1</sup> we stated that the success of British municipal trading was being investigated by a joint parliamentary committee of ten. They were instructed “to consider and report as to the principles which should govern powers given by Bills and Provisional Orders to municipal and other local authorities for industrial enterprise within or without the area of their jurisdiction.” The House committee was ordered April 6, 1900, by a vote of 141-67. The Lords’ committee May 11. The committee took evidence at sixteen sittings, between May 18 and July 28, when they recommended their reappointment and submitted the evidence which they had taken. The committee was made up of the following: Lord Rothschild, Lord Windsor, Earl of Crewe, Viscount Peel, Viscount Hampden and from the Commons, Sir Leonard Lyell, Sir Walter Foster, Mr. Hobhouse, Mr. Fry and Mr. Lawson. Thirty-six witnesses were examined. The testimony, including tabulated statistics for various municipalities, has been issued in a volume of 346 pages and twenty-three appendixes. This is replete with valuable information. It appears that seventeen local authorities made a net profit on their gas undertaking of £10,000 and upwards, aggregating nearly \$2,000,000. Tramways are owned by forty-nine local authorities; concessions to establish or extend are being sought by thirty-four. In addition to the usual public utilities which municipalities are seeking power to control, such as lighting plants, tramways, crematoria, markets, slaughter-houses, baths and wash-houses, are many which in this country are generally jealously guarded from public interference. Among these are cold air stores and ice production and distribution; stabling, accident insurance, piers, harbors, lodging-houses, etc.

**Leek.**<sup>2</sup>—We are wont to associate municipal trading with great cities. But in England, the smaller corporations have followed the example of the greater. The unincorporated town of Leek, with a population of only 15,000 and a ratable value of only £47,000, presents a very good example of successful municipal trading. The District Council owns the gasworks, waterworks, markets, cemetery, public baths, and allotments, and is establishing electricity works. Its markets date from the year 1209, but were not municipalized until the year 1859, when they were acquired at a cost of £4,300. Last year the income from the markets was £609, and the expenditure £403.

The old town commissioners purchased the waterworks from the

<sup>1</sup> September, 1900, p. 148, *et seq.*

<sup>2</sup> From “London Municipal Journal.”

Earl of Macclesfield many years ago. The lordly owner had obtained extraordinary powers under an act passed in 1827. The charges went as high as 2s. 6d. in the pound, without extras. The District Council has enormously reduced the charges, and they are now 8d. in the pound for domestic purposes and 6d. per 1,000 gallons for trade purposes. Last year the remainder of the debt was paid off, so that the charges can now be further reduced if considered desirable.

The gas supply was purchased in 1845, when the price of gas was 9s. 6d. per 1,000 cubic feet. The rate has gradually been reduced until it is now 2s. 6d. In fact, Leek prides itself upon supplying the cheapest gas in the country. For a town of its size this is certainly the case, when it is considered that for the last thirty years no charge has been made for public lighting. Last year there was a surplus profit of £1,200, and the District Council has recently obtained power to spend £20,000 in extending the works.

Leek is one of the few towns which makes a profit out of its municipal cemetery after meeting all expenses and loan charges. Public baths are not, of course, expected to make a profit, but they are very well patronized in the town, and are very successful from a sanitary point of view. The Public Library has also proved to be a most useful institution, and the District Council is enterprising enough to levy a penny rate for the purpose of technical instruction, to supplement a grant from the County Council. It also has a museum in connection with the Public Library, and has provided a number of allotments.

**The Bubonic Plague and British Quarantine.** — Quarantine in the strict sense of the word consists in the segregation of persons and objects coming, whether by sea or land, from localities in which a dangerous epidemic disease is in existence, with the object of limiting its spread. Although scientifically correct, quarantine has been abandoned in the United Kingdom because it is impracticable under the conditions of British trade. The scientific cannot be dis severed from the commercial question; and a quarantine which in practice could not be enforced would better be definitely abandoned so that no false sense of security by futile measures is engendered. Incidentally, experience has shown that European countries which trust to quarantine have suffered more severely from cholera than England which has abandoned it. Sanitation is the true chief means of defence. Yet England does not trust to sanitation alone. Its system of medical inspection at the ports and subsequent supervision of persons landed from suspected vessels furnishes a valuable means of detecting the first cases of an imported disease.

The occurrence within the past month (September, 1900) of over

twenty cases of plague in Glasgow will not alter the attitude of British administrators in regard to quarantine. Every effort will be made by medical inspection to prevent the importation of exotic disease, and persons landing will be subsequently visited at their homes. The present plague having called the attention of sanitary officials to the possibility of an obscure case being one of that disease, there is every reason to believe that it will be stamped out before it has seriously spread.

Although quarantine is impracticable and inadvisable in Great Britain, which, while physically an island, is epidemiologically a part of the continent of Europe, it is justifiable under certain circumstances. To quote Dr. Ashburton Thompson's proposition concerning it: "*The degree of protection which quarantine measures can afford is inversely as the ease of communication between the infected country and the country to be defended.*" Quarantine measures do not absolutely exclude infection but only *diminish the entering number of foci*. In rejecting medical inspection as being insufficient for Australia, the members of the conference of the six Australian colonies were guided by the following consideration: "*Nations whose internal sanitary administration is not perfect, cannot afford to refer the observation of suspects to the country at large.*"

Between European countries no amount of quarantine will prevent intercommunication on an enormous scale, while between natives of India and Europe it is almost non-existent. The chief reason for the difference is that there are no crowds passing over from India to Europe, no ships laden with emigrants or dirty passengers of the lowest type as there are between European ports and between these and the United States. Thus it is equally true that cholera, for example, is carried by ships from country to country in Europe and that it is not thus carried from India. Mecca is the main place of danger for Europe. It is over 2,000 miles nearer Europe than any Indian port, and more than 4,000 miles nearer than Calcutta; and its great annual gatherings of pilgrims bring the centre of cholera by so much nearer Europe. Hence the sanitation of the Mohammedan shrines and the routes to them, and the regulation of the pilgrim traffic, constitute the most important measure against cholera in Europe.

## SOCIOLOGICAL NOTES.

### **A Unique Public Trust to Reduce the Evils of Alcoholism.<sup>1</sup>—**

Society condemns drunkenness. Our states ordain that teachers in the public schools shall teach the physical effects of the alcohol habit. Regarding alcoholism as a disease, many municipalities attempt to arrest its propagation by declaring illegal the sale of alcoholic beverages for other than medicinal purposes. Other cities, regarding the excessive use of stimulants as a necessary evil, leave the weak individual to be eliminated by his own passion, while the traffic is given a legal standing in exchange for large pecuniary compensation in the form of license taxes. We hear of the Gothenburg System and the State Dispensary as methods by which society attempts to reduce to the minimum the evils of alcoholism by removing the greatest factor in its propagation, private profits from the sale of intoxicants. In two cases only, I think, government authorities go beyond fixing the legal standing of the traffic. In Cambridge and Gloucester, Massachusetts, salaried propagandists are employed, who devote their entire time to combating alcoholism.

This city temperance missionary, generally known as city missionary, dates from the year 1864, and is paid from the city treasury in fulfillment of a promise made by the city authorities upon the acceptance of the Sanders Temperance Fund. The terms of the bequest are as follows: "Believing, as I do, that drunkenness is a crime, and likewise the origin of a large portion of crimes, vices and misery, which exist among us, I am desirous to do all in my power for its prevention and cure by establishing in Gloucester, the place of my ancestors, and Cambridge, my present place of residence, a permanent salary to be paid to some worthy man who has discretion and zeal for the cause." This agent is "to be constantly employed as a missionary in the cause of temperance, in reforming old drunkards and preventing young drunkards, and abolishing as far as possible the use of all intoxicating articles."

"I therefore give and bequeath to the Town of Gloucester the sum of ten thousand dollars (\$10,000), and to the City of Cambridge the sum of ten thousand dollars (\$10,000), to be held as permanent funds, the interest of which shall be paid quarterly as salaries to those persons employed for the above-named purpose in those places as long as the vice of drunkenness exists."

<sup>1</sup> Contributed by Dr. William H. Allen, University of Pennsylvania.



At the time, this bequest was not given the attention it deserved, because public interest was concentrated on news from the battlefield. The mayor's message to the Cambridge councils made no mention of the gift. The histories of Cambridge, with one or two bare references to the existence of a Sanders Temperance Fund, do not refer either to the gift or to the work which it has made possible. The council proceedings record, however, that the councils met October 5, 1864, formally accepted the gift and by ordinance established a board of trustees to take charge of the fund and to carry out the wishes of the donor. The mayor and four members of council were named as trustees, met as a board and appointed a well-known temperance worker of the time as first temperance missionary.

At first the board had an office in the City Hall, where from time to time they met to hear the report of the missionary. He was expected to report from a daily record just how he had busied himself. In 1882, however, "his office hour at the City Hall was discontinued, as no calls were made upon him, and it was felt that the proper exercise of his duties required his presence during those hours at other places." So the board is now only nominal trustee, with no executive functions. It annually reports that the interest on the fund has been paid to the missionary, "whose earnest and eloquent report follows," *et seq.*

As is unusual in the case of similar trust funds, the money was not separately invested and guarded by the trustees. Instead it was absorbed into the treasury and councils voted to pay 6 per cent, or \$600, to the missionary. As the average rate of interest being paid by Cambridge to-day on temporary loans aggregating half a million is only 2.996 per cent, and as time bonds amounting to \$369,000 were floated in 1899 at 3.25 per cent, it is apparent that the absorption of the fund into the treasury was an unforeseen benefit to the cause for which it was given. For it is hardly probable that the trustees could have so invested \$10,000 that it would always net \$600. Secondly, public sentiment may be counted on never to permit the city to reduce the salary of the missionary below \$600. The city stands, therefore, pledged to pay at least \$600 a year for a temperance missionary "as long as the vice of drunkenness exists."

As for the work done, it is to be regretted that the reports of the missionaries have been hidden away among so much statistical material that they are unknown to the people of Cambridge. The Gloucester missionary does not tell the public what he has done during the year, yet probably his work is as generally known to the ordinary business man as is that of his fellow missionary at Cambridge, who makes every year an extensive report. It was disappointing to find

that the barber, merchant, landlady, teacher, librarian and student in Cambridge knew so little of the temperance missionary's work.

It is quite conceivable, however, that the personal influence of the missionary is more direct and farther reaching because so unostentatious. The activities of the missionary include the following: Public temperance meetings, averaging three a week, in halls during the winter and on the Common or public squares during the summer. At these meetings pledges are given, numbering during the year about seven hundred. The missionary follows the converts, protecting them from evil associations, where possible, by helping them secure employment and connecting them with respectable associations. Weekly meetings are also held in the House of Correction, where by moral suasion or mental suggestion attempt is made to arouse in the drinker a hatred of alcohol. The missionary also takes an active part in the annual no-license campaign—Cambridge has had no saloons for fifteen years—by marshaling his friends and the enemies of alcohol to vote no license. His testimony on the effect of local prohibition is that "those who appear before the police courts now on the charge of drunkenness are old offenders. Very few respectable looking young people are now found there." The missionary distributes much temperance literature.

Of great importance is the educational work conducted among the young. Clubs are organized in different parts of the city, whose purpose is to provide respectable enjoyment and to inculcate a belief in the destructiveness and danger of the use of alcohol in any form. Temperance or total abstinence literature is also liberally distributed.

The court room is, however, the laboratory of the temperance missionary. He visits the magistrate's court every morning. He is given a seat inside the railing where only officers of the law, accused, accusers and witnesses are allowed. He is recognized as a city official. Magistrates and police both assist him, and also depend upon him to aid them in enforcing the law. He hears the charges brought against the accused. If they have been arrested for drunkenness or for crimes committed while under the influence of liquor, or for offences growing out of the use of alcoholic stimulants, he makes careful notes of the circumstances. He then interviews the accused, ascertaining the latter's address, whether there is a family dependent upon him, whether he is employed and where, his habits in the use of alcohol, etc. During the year, from 1,700 to 2,000 such interviews are held. It is not necessary to emphasize here the tremendous influence for good which a sympathetic man may have, who meets 2,000 alcohol victims yearly at the bar of justice with promises of assistance. The city condemns and punishes because it must, but it condemns the act.

It does what it can, however, to prevent a repetition by extending a helping hand to the culprit. It recognizes, in a word, society's obligation to a victim of a social institution.

But perhaps of greater importance yet is the work done with the families of confirmed drinkers. In 1897 and 1898 the missionary visited 2,110 and 2,013 "homes of the unfortunate poor, made so because of the intemperate habits of the father." He goes as a friend to ascertain what assistance is necessary. If clothing or food is wanting he appeals to philanthropic individuals or organized societies. But his greatest service is in causing the family to diagnose its own case. Generally employment is found to be the best remedy. The missionary has been very successful in providing the remedy.

As early as 1868 the trustees recognized the necessity of following the missionaries' moral suasion with practical aid. "A fund enabling pecuniary assistance to be rendered in certain cases would, we think, be a great incentive to a permanent reform of the fallen." This fund would doubtless be obtained more readily if the trustees were chosen from philanthropists or from practical students of social problems outside the councils. City officials are unable to give special attention to such a trust. From the standpoint of sociology it is to be regretted that the fund has not been increased so that it would be possible not only to render more effectual preventive aid to alcohol victims but also to classify for social use the facts gathered from a decade's observation of 20,000 homes, 20,000 drinkers, 5,000 pledge takers, 2,000 public temperance meetings, and hundreds of temperance clubs.

**Anthracite Coal Miners' Wages.**<sup>1</sup>—In consequence of the refusal of coal operators to meet committees of the United Mine Workers and adjust grievances presented on August 15, at a convention in Hazleton, a general strike of the anthracite coal miners began on September 17 last. The miners complained that "during the past two or three years the cost of many of the necessities of living has been increased, in many instances 20, 30, 40 and even 50 per cent, while our wages have not increased to any extent whatever. The miners of all other coal regions have had their wages increased, while ours have remained stationary or have been reduced." An advance of 20 per cent was then asked for. They demanded an increase of 5 per cent on all wages of \$1.50 per day and over and an increase of 10 per cent for all wages under \$1.50. It is a matter of some interest to learn what were their average earnings, and if, as a matter of fact, these were so low as to constitute a grievance.

The wage scale in operation at the time the strike began was adopted after the long strike of 1886-87. In consideration of a certain rate of

<sup>1</sup> Contributed by F. G. Fraser.

wages, based on the cost of mining at that time, the miners agreed that powder was to be purchased from the companies at \$2.75 a keg. At that time the price meant but a very small profit. Since 1887, according to the operators, the cost of mining has largely increased, and it would have been manifestly impossible for them to continue a wage scale made in more prosperous times had it not happened that the purchase price of powder declined to about ninety cents, giving an increased margin of profit, which has been almost enough to balance the higher costs of mining, while paying labor the same rate. A reduction of \$1.25 a keg for powder would mean an increase in wages of about one and one-half cents a ton in the mammoth vein, where about eighty tons of coal are mined per keg of powder; and about eight cents per ton in the thin veins, where a keg of powder mines about fifteen tons of coal. This would mean an advance to the miner of about three cents for a two-ton car in the mammoth vein and sixteen cents a car in the thin veins.

What now were the earnings from which these advances were to be measured? In a statement issued September 13 President Mitchell, of the United Mine Workers, said: "The average wages of the anthracite miner for many years past has been less than \$250 annually." The following is a carefully compiled list of the number of men at work in the Wyoming Valley mines and the amount of wages paid, and the figures presented appear to substantiate the claim:

	Number of Men.	Average Pay Roll Per Month.	Average Pay Per Man.
Lehigh Valley & Wilkesbarre Coal Co.	5,705	\$114,000	\$19.65
Delaware & Hudson Co. . . . .	3,090	61,800	20.00
Susquehanna Coal Co. . . . .	3,891	77,821	20.00
Kingston Coal Co. . . . .	2,262	77,820	34.40
Delaware, Lackawanna & Western Co.	2,330	46,600	20.00
Lehigh Valley Coal Co. . . . .	1,139	22,780	20.00
Red Ash Coal Co. . . . .	652	13,040	20.00
Parrish Coal Co. . . . .	1,166	23,320	20.00
Miscellaneous Companies . . . . .	3,142	62,480	19.88

At Jeddo, John Markle's pay roll showed many men who did not earn more than \$35 a month, and \$25 of this sum was often deducted for credit at the company store. On the other hand, there were instances during August where miners drew \$50 in cash after making all deductions, including their account for provisions and clothing at the company store. There were many cases also where miners drew more than \$100 after deduction for provisions and powder.

The average amount received by each miner at the collieries of the Pennsylvania Coal Company during August, after deducting for powder, oil, etc., was \$2.60 per day, and the average number of days worked was twenty, amounting to \$52 a month. The wages of miners' laborers was \$1.67 a day. The average wages of the 822 men at the Lattimer colliery is \$38.33 a month. This includes both boys and men and is made up with cost of powder taken out. At the Harwood mine, where the number of men is greater, the average is \$40.06.

Following is a detailed statement of the wages of the men at the Harwood mine, as given by Mr. Calvin Pardee: 145 contractors, net average wages, \$53.75; 168 breaker men and boys, average, \$23.48; 132 outside men, average wages, \$38.73; 143 timber men, roadmen, drivers runners, patchers, door boys and stripping men, average, \$37.55.

As the Jeddo and Harwood collieries represent the best wages, and the Wyoming Valley possibly the worst, the statement of President Mitchell quoted above, that the average wages for the last year were \$250, does not appear very far from the truth.

**The Wheat Outlook.**<sup>1</sup>—The present outlook for a large wheat crop is not so favorable as last year, although the crop is not a failure save in certain parts of this country.

According to Carthew the wheat crop of the world for 1900 is 2,224,000,000 bushels, divided among the various nations as follows: United States, 540,000,000 bushels; Russia, 336,000,000 bushels; France, 296,000,000 bushels; India, 240,000,000 bushels; Hungary, 114,000,000 bushels; Italy, 128,000,000 bushels; Germany, 112,000,000 bushels; Spain, 96,000,000 bushels; Argentine, 80,000,000 bushels; Canada, 48,000,000 bushels; Australia, 52,000,000 bushels; Belgium, 96,000,000 bushels; Great Britain, 56,000,000 bushels. Dr. Daranyi places his estimate somewhat higher—from 2,469,060,000 to 2,525,820,000 bushels, or from 4 to 5 per cent below last year's output. The *Mark Lane Express* reports that the crop is probably better in Spain, Roumania, Bulgaria and Russia and inferior in the other great producing states.

In this country the wheat crop will be short on account of the failure of the crop in the Northwest. Rains have caused loss and deterioration of the crops in North Dakota and in Northern Minnesota. West and southwest of Minneapolis the crop has been more generally better stacked, but even in South Dakota and Southern Minnesota the loss has been considerable. Yet the Cincinnati *Price Current* thinks the loss has been exaggerated, and that the crop in the last-mentioned states will be large enough to equalize the losses in the Northwest. Kansas will, on the other hand, have an unusually large crop, the estimates running all the way from 85,000,000 to

<sup>1</sup> Contributed by Mr. J. C. Duncan.

100,000,000 bushels. Oklahoma will also give a large crop. What the entire crop of the United States will be is not as yet known. Various estimates have, however, been made. The following, taken from the *American Miller*, are given as final estimates from various authorities: *Cincinnati Price Current*, 550,000,000 bushels; *Snow's Forecast*, 510,000,000 bushels; New York Flour Exchange, 508,000,000 bushels; Regina Flour Mill, 521,000,000 bushels; *Daily Trade Bulletin*, 489,000,000 bushels; Baltimore Produce Exchange, 517,356,000 bushels; *Duluth Record*, 510,000,000 bushels. The *American Miller* estimates the crop at 515,155,571 bushels. In 1899 the Agricultural Department reported a yield of 547,300,000 bushels. It is probable that the crop of 1900 will fall 30,000,000 bushels below this yield of 1869.

The price of wheat is higher this year than it was last. During September, 1899, it ranged from 73 cents to 77½ cents. During September, 1900, the range was 77⅔ to 80⅔. The outlook for 1900-01 is for a higher price of wheat.

**American Stock Market.**<sup>1</sup>—Beginning with the latter part of December, 1899, the values of American stocks have, with few exceptions, shown a downward tendency. Stock sales have decreased even more than stock values. This is seen from the following table:

*Table Showing Range of Prices from January to October, 1899-1900, of Various Railroad and Industrial Stocks. Also, the Latest Quotations.*

	1899. Range of Prices.	1900. Range of Prices.	1900. Last Quota- tion, Oct. 6.
Reading Co. . . . .	19⅜—25	15 — 21½	16
Great Northern Railway . . .	142¼—195	144¼—174½	153
Union Pacific . . . . .	38⅞—50⅜	44⅞—60⅞	58⅞
Southern Pacific . . . . .	27 — 44	30⅞—43	34
Illinois Central . . . . .	110 — 122	110 — 120¼	116
Baltimore & Ohio . . . . .	43⅞—61½	55¼—89⅞	70
New York Central . . . . .	121¾—144¾	125⅞—139⅞	130
Pennsylvania . . . . .	122⅞—142	124⅞—142¾	130
New York, New Haven and Hartford . . . . .	198 — 222	207¾—215¾	209
Boston & Maine . . . . .	170 — 205	187 — 202½	..
American Sugar . . . . .	123¼—182	95¼—137½	117
American Tobacco . . . . .	88½—229½	84½—111½	91½
American Steel & Wire Co. . .	45 — 72	28½—59⅞	34

<sup>1</sup>Contributed by Mr. L. B. Wolf.

Speculative investors were so much alarmed by the panic of December 18, 1899, as to withdraw very largely from the market, and no revival of speculative interest, in spite of strenuous endeavors on the part of leading interests, has been manifested.

The following tables, showing the sales of stock, the stock clearings and the rate of interest on call loans, prove that the difficulty of securing loans has not caused the depression in the stock market (see page 158):

*Monthly Stock Clearings.*

Month.	1900.	1899.
January . . . . .	\$7,637,759,375	\$8,503,060,612
February . . . . .	6,428,007,389	6,991,303,853
March . . . . .	7,629,066,559	8,737,489,825
April . . . . .	7,456,064,401	8,291,784,464
May . . . . .	7,305,763,627	8,388,637,830
June . . . . .	6,661,932,557	7,514,390,513
July . . . . .	6,247,278,781	7,123,749,393
August . . . . .	5,701,231,646	6,939,795,090
Total . . . . .	\$55,067,104,335	\$62,490,211,680

*Monthly Average Call Loan Interest Rate.*

	1900.	1899.
January . . . . .	4½	2¾
February . . . . .	2½	2¾
March . . . . .	3½	3 11-16
April . . . . .	3¼	6½
May . . . . .	2½	3¾
June . . . . .	1¾	2½
July . . . . .	1¾	4½
August . . . . .	1¾	3¾
September . . . . .	1½	5¾

It is not often that such low rates of interest have failed to stimulate speculation. The probable explanation is that the sheep have been so closely sheared that a new crop of wool has not yet had time to grow. The election of McKinley, however, may give to the brokers a new opportunity to gather in the surplus earnings of the adventurous and trustful investor.

## Stock Sales.

Month.	Number of Shares.	1900.		Number of Shares.	1899.	
		Par.	Value. Actual.		Par.	Value. Actual.
January . . .	9,843,716	\$946,581,487	\$687,243,018	24,251,983	\$2,350,845,650	\$1,619,520,833
February . . .	10,195,392	976,723,925	718,677,567	16,106,235	1,536,370,500	1,190,899,102
March . . . .	14,446,782	1,409,933,550	1,101,018,407	17,742,390	1,705,438,450	1,375,265,851
April . . . .	14,772,973	1,434,106,700	977,081,461	16,993,626	1,675,038,550	1,431,735,173
May . . . . .	9,519,473	902,298,900	610,491,418	14,955,899	1,467,563,850	1,234,986,530
June . . . . .	7,308,687	704,924,650	455,082,364	10,903,793	1,066,513,050	927,954,406
July . . . . .	6,230,493	599,842,700	401,407,206	8,387,530	820,926,600	708,857,714
August . . . .	4,020,654	393,257,750	236,985,469	12,985,345	1,232,066,050	1,075,627,941
Total . . . .	76,338,170	\$7,367,669,662	\$5,187,986,910	122,326,801	\$11,854,762,700	\$9,564,847,550



**Awards for Social Economy Exhibits at the Paris Exposition of 1900.**—An error occurred in the statement made on page 152 of the September *ANNALS* concerning the organization of some of the chief features of the Social Economy Exhibit. This should be corrected to read, that Hon. Frederick W. Holls is chairman of the Tenement House Committee of the New York Charity Organization Society and that Mr. Veillier is secretary; also that Mr. Robert W. DeForest is president of the New York State Tenement House Commission, of which Mr. Veillier is also secretary.

The exhibit of charitable institutions, societies and organizations for educational purposes, which was a feature of the Department of Education and Social Economy at the Paris Exposition, was collected by Mr. Homer Folks and Mr. Edward T. Devine, from representative agencies throughout the United States. It consisted of four sections:

I. Institutions for the care of dependent, neglected, delinquent and defective children.

II. Hospitals, dispensaries and schools for nurses.

III. Agencies for the relief of the poor in their own homes, including charity organization societies, associations for improving the condition of the poor, public out-door relief, etc.

IV. Educational and supervisory agencies, including the National Conference of Charities and Correction, state boards of charities, etc.

This plan was proposed by Mr. Herbert S. Brown, editor of the *Charities Review*, and was based upon the classification adopted for a series of historical papers now in progress in the *Review*.

As a part of the same plan, Mr. Robert W. Heberd collected the exhibit for almshouses and homes for the aged, and Mr. T. E. McCarr the exhibit of institutions for the care of the insane. These, however, were for the State of New York only.

It is a matter of some general interest, showing the significant features of American work along these lines, as well as the extent to which the American exhibit received recognition at Paris, to note the awards to American exhibitors in Group XVI, the Department of Social Economy. The following list of awards appeared in the *New York Times* for September 2:

#### DEPARTMENT OF SOCIAL ECONOMY.

##### GROUP XVI.

HOWARD J. ROGERS, Director.

##### GRANDS PRIX.

American Federation of Labor, Washington, D. C.  
Board of Arbitration, State of Massachusetts, Boston.  
Department of Social Economy, United States Commission.  
Bureau of Factory Inspection, State of New York.

Factory Inspection Bureau, State of Massachusetts.  
 Department of Social Economy, United States Commission.  
 Tenement House Committee, Associated Charities, New York City.  
 United States League of Social Building and Loan Associations.  
 League for Social Service, New York City.  
 National Cash Register Company, Dayton, Ohio.  
 Nelson Manufacturing Company, Missouri.  
 Young Men's Christian Association (collective).  
 State Insurance Department, New York (Albany).  
 State Banking Department, Albany.  
 Banking Department, State of Massachusetts.  
 Controller of Currency, Washington, D. C.  
 Dawes, Charles G., Washington.  
 Willoughby, W. F., Washington, D. C.  
 National Fraternal Congress.  
 Bureau of Labor, Washington, D. C.  
 Negro Exhibit, Department of Social Economy.  
 American Society for the Protection of Animals, New York City.  
 American Humane Association, Chicago.  
 National Society, Daughters of the American Revolution.  
 State Board of Health, Massachusetts.  
 State Bureau of Charities and Correction, Albany.  
 State Bureau of Charities, Massachusetts.  
 Lunacy Commission, State of New York, Albany.  
 St. John's Guild, New York City.  
 Department of Social Economy, United States Commission.  
 Charity Organization Society, New York City.  
 Association for Improving Condition of the Poor, New York City.  
 Children's Aid Society, New York City.

## GOLD MEDALS.

Lowell Textile School, Massachusetts.  
 New Bedford Textile School, Massachusetts.  
 Gilman, N. P., Meadville, Penn.  
 Willoughby, W. F., Washington, D. C.  
 Bureau of Labor Statistics, Boston, Mass.  
 Board of Arbitration, State of New York, Albany.  
 International Typographical Union.  
 Trades League of Philadelphia.  
 Bureau Inspection of Mines, Ohio.  
 Bureau Inspection of Mines, Pennsylvania.  
 Factory Inspection Bureaus of Illinois, Indiana, Pennsylvania, Minnesota  
 and Ohio.  
 Washington Sanitary Improvement Company, Washington, D. C.  
 Veiller, Lawrence, New York City.  
 Harvard Co-operative Society, Cambridge, Mass.  
 Institute of Technology, Co-operative Association, Boston, Mass.  
 Consumers' League, Philadelphia.  
 Commercial Museum, Philadelphia.  
 Heinz & Co., Pittsburg.  
 Ludlow Manufacturing Company, Boston.  
 University of the State of New York, Albany.  
 Salvation Army (collective).  
 Westinghouse Air Brake Company.  
 Insurance Commission, State of Massachusetts.  
 Independent Order of Foresters.  
 Knights of the Maccabees.  
 Knights of Malta.  
 Locomotive Engineers' Mutual Life and Accident Insurance Association.  
 Marsh, W., New York City.  
 Prudential Life Insurance Company.  
 Woodmen of the World.  
 Pennsylvania Railroad Savings Department.  
 Modern Woodmen of America.  
 Ancient Order of United Workmen.  
 New Hampshire Savings Bank Department.  
 Maine Savings Bank Department.  
 Bureaus of Labor of New York State, Massachusetts, Pennsylvania, Illi-  
 nois and Wisconsin.  
 Tolman, W. H., New York City.

Waterman, Richard, Chicago.  
 Young Men's Christian Association of America.  
 Abbott, Samuel W.  
 Public Baths, New York City.  
 Boards of Health of Brookline, Mass.; Cambridge, Mass.; Chicago, New York City, Philadelphia, Pittsburg and Providence.  
 State Boards of Health of California and Illinois.  
 Board of Health, Boston.  
 State Boards of Health of Michigan, New York, Pennsylvania, Rhode Island and Vermont.  
 J. L. Mott Iron Works, New York City.  
 H. K. Mulford & Co., Philadelphia.  
 Park, Davis & Co., Detroit.  
 Department of Social Economy, United States Commission.  
 Standard Manufacturing Company, Pittsburg.  
 Trenton Potteries Company, Trenton, N. J.  
 Street-Cleaning Department, New York City.  
 Loomis Sanitarium, New York.  
 Public Charities, City of Boston.  
 Charities Associations, City of Boston.  
 State Bureaus of Charities of Michigan, California, Illinois, Indiana, Ohio, Pennsylvania and Wisconsin.  
 Lunacy Commission, State of Massachusetts, Boston.  
 National Association, Charities and Corrections.  
 School for the Blind, Overbrook, Penn.  
 Folks, Homer, New York City.  
 Massachusetts General Hospital, Boston.  
 St. Mary's Hospital for Children, New York City.  
 Johns Hopkins Hospital, Baltimore.  
 Pennsylvania Hospital, Philadelphia.  
 Presbyterian Hospital, New York City.  
 Boston City Hospital, Boston.  
 Hospital for Aged and Married Couples, Boston.  
 Institution for the Assistance of Children, Glen Mills, Penn.  
 Columbia Institution for the Deaf, Washington, D. C.  
 New York Institution for the Deaf, New York City.  
 Society for the Assistance of Children, Boston.  
 Devine, Edward T., New York City.  
 Five Points House of Industry, New York City.  
 Society for Prevention of Cruelty to Children, Brooklyn.  
 State Charities Aid Association, New York City.  
 Mount Sinai Hospital, New York City.  
 Association for Improving Condition of Poor, Brooklyn.

# SILVER MEDALS.

Brotherhood of Locomotive Engineers.  
 Cluett, Peabody & Co., Troy.  
 State Boards of Arbitration of Indiana, Ohio and Wisconsin.  
 Macullar Parker Company, Boston.  
 Northwestern Miller, Minneapolis.  
 Singer Manufacturing Company, New York City.  
 Southern Railway Company, New York.  
 Stone, publisher, Chicago.  
 Vermont Marble Company, Laird, Norton Company.  
 Draper Company, Limited.  
 Lucas, John & Co.  
 American Waltham Watch Company.  
 Briar Cliff, Manor Farms.  
 Brownell Manufacturing Company, Rochester.  
 Cleveland Hardware Company, Cleveland.  
 Eastman Kodak Company, Rochester.  
 Ferris Brothers Company, Newark.  
 Gorham Manufacturing Company, Providence.  
 Siegel-Cooper Company, Chicago.  
 Sherwin Williams Company, Cleveland.  
 John Wanamaker, New York.  
 J. H. Williams & Co., Brooklyn.  
 Ancient Order of Hibernians.  
 Illinois Central Railroad.  
 Order of Scottish Clans.

Procter & Gamble.  
 Royal Arcanum.  
 United American Mechanics.  
 Home Circle.  
 Baltimore and Ohio Railroad Relief Association.  
 Chicago and Burlington Railroad Relief Association.  
 Lehigh Valley Railroad Relief Association.  
 Pittsburg Western Railroad Relief Association.  
 State Bureaus of Labor in Connecticut, Ohio, New Jersey, Indiana, Mis-  
 souri, California, Michigan, Maryland, Iowa, Kansas, Washington, North  
 Carolina, Maine, Minnesota, Colorado, Rhode Island, Nebraska, Virginia,  
 West Virginia, North Dakota, Tennessee, Kentucky, Montana and New  
 Hampshire.  
 American Public Health Association.  
 Humane Education Association, Boston.  
 Public Baths, Boston and Brookline.  
 Boards of Health in Baltimore, Buffalo, Charleston, N. C.; Cincinnati,  
 Cleveland, Detroit, Milwaukee, Minneapolis, Newark, New Orleans, St.  
 Louis, St. Paul, San Francisco, Washington, D. C., and Worcester, Mass.  
 State Boards of Health of Connecticut, Delaware, Florida, Indiana,  
 Iowa, Kansas, Kentucky, Maine, Maryland, Minnesota, Missouri, New  
 Hampshire, New Jersey, Ohio, Oklahoma, South Carolina and Wisconsin.  
 Cremation Society, Philadelphia.  
 New Jersey State Milk Commission.  
 Michigan State Milk Commission.  
 Pecone Laboratories.  
 Colorado Sanitarium, Boulder.  
 Sanitarium Gabriels, Adirondacks.  
 Sharon Sanitarium, Sharon, Mass.  
 Department of Streets, Boston and New York.  
 Public Charities, Worcester, Mass.  
 Asylum for the Poor, Tewksbury, Mass.  
 Charities Association, Baltimore.  
 State Board of Charities and Corrections, Colorado.  
 Bureaus of Charities and Corrections of District of Columbia and State  
 of Minnesota.  
 State Bureaus of Charities and Corrections of Missouri, New Hampshire  
 and Rhode Island.  
 State Bureaus of Charities of Connecticut and New Jersey.  
 School for the Deaf, Omaha, Neb.  
 Isabella Heinath, New York.  
 Society for the Assistance of Children, Philadelphia.  
 St. Vincent de Paul's Hospital, New York City.  
 Roosevelt Hospital, New York City.  
 St. Luke's Hospital, New York City.  
 Catholic Protectory, New York City.  
 Charity Organization Society, Buffalo.  
 Massachusetts Farm School.  
 The Lyman School, Massachusetts.

## BRONZE MEDALS.

The Chicago Record.  
 Board of Arbitration.  
 J. H. Flickenger & Co., San José.  
 Locomotive Engineering, New York.  
 Ores and Metals, Denver.  
 Remington Standard Typewriter.  
 McCormick Harvesting Machine Company.  
 Cleveland Terminal and Valley Railroad Relief Department.  
 Independent Order of Rechabites.  
 Knights of the Golden Eagle.  
 Pittsburg Junction Railroad Relief Department.  
 United Ancient Order of Druids.  
 American Association of Climatology, Philadelphia.  
 Dr. W. B. Atkinson.  
 Public Charities of Brockton, Mass.; Fairhaven, Mass.; Natick, Mass.,  
 and Akron, Ohio.  
 Charities Associations of Charleston, S. C.; Charleston, W. Va.; Janes-  
 ville, Wis.; Oakland, Cal.; Pueblo, Cal., and Wilmington, Del.

State Bureaus of Public Charities of Iowa, Kansas, Maine and Maryland.  
 State Bureaus of Charities of Nebraska and Tennessee.  
 Keen, Dora, Philadelphia.  
 Charity Organization Societies of Connecticut, Colorado, District of  
 Columbia, New Haven and Maine.

HONORABLE MENTIONS.

Atchison, Topeka and Santa Fé Railroad.  
 Bureau of American Republics, Washington.  
 Agricultural Commission, State of Louisiana.  
 Board of Arbitration, State of Connecticut.  
 Delema Mercer Mines Company, Utah.  
 C. A. Dockham & Co., Boston.  
 Dungan, Hood & Co., Philadelphia.  
 Earl & Wilson, Troy, N. Y.  
 Engineering News Publishing Company.  
 Postoria Glass Company, West Virginia.  
 Hires Turner Company.  
 Hocking Valley Railroad.  
 Illinois Steel Company.  
 Real Estate Loan Association of Springfield, Ill.; Indianapolis, Baton  
 Rouge, Boston, Lausing, Jefferson City, New York City, Madison, Wash-  
 ington, D. C.  
 Charles A. Schieren, Brooklyn.  
 Standard Varnish Works, New York.  
 Triumph Ice Machine Company.  
 Sebattus Co-operative Association.  
 Ishpeming Co-operative Association.  
 James W. Tufts, Mutual Aid Society, Boston.  
 Co-operative Store Company, Silver Lake, Mass.  
 Cypress Lawn Cemetery Company.

## BOOKS RECEIVED FROM AUGUST 1 TO OCTOBER 1.

- Adams, H. B., *The Church and Popular Education*. (Johns Hopkins University Studies in Historical and Political Science, Series XVIII, Nos. 8 and 9.)
- Adler, P., *Die Lage der Handlungsgehilfen gemäss den Erhebungen der Kommission für Arbeiterstatistik*. (Münchener Volkswirtschaftliche Studien, 39 Stück.) Stuttgart: J. G. Cotta. 4*m*.
- Barnes, J. C., *The Influences of the Change of the Industrial Systems of the South on the Development of Personality in the Afro-American*. Wooster: Herald Printing Co.
- Bonn, M. J., *Die Vorgänge am Edelmetallmarkt in den Jahren 1870-73*. (Münchener Volkswirtschaftliche Studien, 40 Stück.) Stuttgart: J. G. Cotta. 3*m*.
- Brown, E., and A. Straus, *A Dictionary of American Politics*. New York: A. L. Burt. \$1.00.
- Bry, G., *Histoire Industrielle et Économique de l'Angleterre depuis les Origines jusqu'à nos Jours*. Paris: L. Larose. 15*fr*.
- Carpenter, F. G., *South America*. New York: Western W. Wilson. \$3.00.
- Clark, C. C. P., *The "Machine" Abolished*. New York: G. P. Putnam's Sons. \$1.00.
- Collier, W. M., *The Trusts*. New York: Baker & Taylor Co. \$1.25.
- Forney, M. N., *Proportional Representation*. New York: E. W. Johnson. \$.025.
- Francisco, M. J., *Municipalities vs. Private Corporations*. Rutland, Vt.: M. J. Francisco & Son. \$1.00.
- Giroud, G., *Cempuis-Education Intégrale. Coéducation des Sexes d'après les documents officiels et les publications de l'établissement*. (Bibliothèque Internationale des Sciences Sociologiques.) Paris: Schleicher Frères. 10*fr*.
- Golowiu, K., *Russlands Finanzpolitik und die Aufgaben der Zukunft*. Aus dem Russischen von M. Kolossowski. Leipzig: Otto Wigand. 4.50*m*.
- Griffin, A. P. C., *List of Books Relating to Trusts*. (Library of Congress, Division of Bibliography.)
- Griffin, A. P. C., *List of Books Relating to Theory of Colonization, Government of Dependencies, Protectorates and Related Topics*. (Library of Congress, Division of Bibliography.)
- Harper, W. H., *Restraint of Trade*. Chicago: Regan Printing House. \$0.50.
- Hoffman, F. L., *History of the Prudential Insurance Company of America*. Newark, N. J.: Prudential Press.
- Hopkins, J. H., *A History of Political Parties in the United States*. Putnams. \$2.50.
- Hubbard R. B., *The United States in the Far East*. Richmond, Va.: B. F. Johnson Publishing Co. \$2.50.
- Jones, E. D., *Economic Crises*. Macmillan. \$1.25.
- Jones, G., *Civilization in the Middle Ages*. Chicago: Ainsworth & Co. \$0.50.
- Lee, G. C., *Source-Book of English History*. New York: Henry Holt & Co.
- Leonard, E. M., *Early History of English Poor Relief*. Cambridge: University Press. \$2.25.
- Lotz, W., *Verkehrsentwicklung in Deutschland, 1800-1900*. Leipzig: B. G. Teubner. 1.15*m*.
- Merritt, F. D., *The Early History of Banking in Iowa*. (Bulletin of State University of Iowa, New Series, No. 15, June, 1900.)
- Muensterberg, E., *Bibliographie des Armenwesens*. (Abteilung für Armenpflege und Wohlthätigkeit.) Berlin: Carl Heymann. 3*m*.

- Nouveau Dictionnaire de Géographie Universelle, Supplément, 17<sup>e</sup> Fascicule.**  
Paris: Hachette & Cie. 2.50/*fr.*
- Oberholtzer, E. P., The Referendum in America.** Scribners. \$2.00.
- Pelloutier, F. et M., La Vie Ouvrière en France.** Paris: Schleicher Frères. 5/*fr.*
- Public Papers of George Clinton, First Governor of New York, 1777-95, 1801-04.**  
Vols. II and III. Published by the State of New York.
- Schmelzle, H., Der Staatshaushalt des Herzogtums Bayern in 18 Jahrhundert.**  
(Münchener Volkswirtschaftliche Studien, 41 Stück.) Stuttgart: J. G. Cotta.  
*9m.*
- Tolman, W. H., Industrial Betterment.** New York: League for Social Service.
- Van der Vlugt, W., Le Conflit Finlandais.** Paris: L'Humanité Nouvelle.
- Young, A. W., and H. P. Judson, The Government Class Book.** New York: Maynard, Merrill & Co. \$0.75

## INDEX OF NAMES.

ABBREVIATIONS.—In the Index the following abbreviations have been used: *pap.*, principal paper by the person named; *b.*, review of which the person named is the author; *p. n.*, personal note on the person named; *r.*, review by the person named.

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|--|--|
| Abbott, S. W., 175, 505                              | Bourgeois, Léon, 170                     |
| Abell, W. M., 285                                    | Bourinot, J. G., 128-9, <i>b.</i>        |
| Adams, H. B., 175, 508                               | Bowker, C., 286                          |
| Adams, H. C., 125                                    | Bowley, A. L., 175                       |
| Adams, Miss M. D., 173                               | Bowmaker, E., 286, 291                   |
| Addicks, J. E., 266                                  | Boyd, J. W., 285                         |
| Adler, Felix, 165, 173                               | Boyd, W. K., 286                         |
| Adler, P., 508                                       | Bradford, 419                            |
| Alexander, L., 13                                    | Bradwell, J. D., 285                     |
| Alexander, Sir Wm., 129                              | Breckenridge, Miss S. P., 285            |
| Allen, W. H., 153, 282, <i>p. n.</i> , 284, 494      | Brentano, L., 292, 293                   |
| Anderson, F. M., 489                                 | Brown, E., 508                           |
| Anderson, L. A., 287                                 | Brown, H. S., 328, 503                   |
| Andrew, A. P., Jr., 284                              | Brown, J. C., 173                        |
| Andrews, C. M., 313                                  | Bruns, 307                               |
| Andrews, E. R., 281, <i>p. n.</i>                    | Bry, G., 508                             |
| Andrews, J. DeW., 342                                | Bryce, James, 170                        |
| Aristotle, 200, 473 et seq.                          | Burch, H. R., 286                        |
| Arnauné, Auguste, 201                                | Burke, Edmund, 213 et seq., 268 et seq.  |
| Ashley, W. J., 313                                   | Burke, W. M., 284                        |
| Atkinson, W. B., 506                                 | Burnett, E. C., 279-80, <i>p. n.</i>     |
| Austin, John, 216                                    | Burroughs, C. L., 285                    |
| Avebury, Lord, 324, 326, 327                         | Bushee, F. A., 286                       |
| Babelon, 190   | Cady, G. L., 286                         |
| Bacon, Lord, 379                                     | Calhoun, J. C., 129                      |
| Baker, R. S., 175                                    | Callender, G. S., 273, <i>p. n.</i>      |
| Balmforth, R., 342                                   | Calloway, 328                            |
| Bancroft, F., 175, 451-2, <i>b.</i>                  | Canney, T. S. A., 459-60, <i>b.</i>      |
| Barnes, J. C., 508                                   | Canning, George, 14, 23                  |
| Barnett, G. E., 286                                  | Carlos, Don, 16                          |
| Barrows, Mrs. I. C., 173                             | Carpenter, F. G., 508                    |
| Barrows, S. J., 173                                  | Carstens, C. C., 167, 168                |
| Bauer, S., 313                                       | Castlereagh, Lord, 13 et seq.            |
| Beaure, 189, 196                                     | Chailley-Bert, J., 121, <i>b.</i> , 175  |
| Becker, Carl, 303-5, <i>r.</i> , 404-20, <i>pap.</i> | Chandler, F. W., 273, <i>p. n.</i>       |
| Bell, W. B., 286                                     | Chapman, J. J., 180, 183, 452, <i>b.</i> |
| Bemis, E. W., 129-33, <i>r.</i>                      | Chapman, R. B., 201                      |
| Bentham, J., 213 et seq.                             | Charles II., 17                          |
| Bérard, V., 175                                      | Charles VI., 5                           |
| Bergier, 306   | Chisholm, 396                            |
| Bewer, J. A., 284                                    | Chisholm, G. G., 480                     |
| Bigelow, E. M., 318                                  | von Chlapowa Chlapowski, A., 342         |
| Block, M., 208                                       | Clark, A. I., 212-26, <i>pap.</i>        |
| Blue, L. A., 286                                     | Clark, C. C. P., 508                     |
| Boden, F. N., 284                                    | Clark, F. C., 281, <i>p. n.</i>          |
| von Böhm-Bawerk, E., 133, 135, 139, 301              | Clark, J. B., 297-303, <i>b.</i> , 342   |
| Bollack, L., 342                                     | Clark, Wm. A., 266                       |
| Bolles, A. S., 175, 460-1, <i>b.</i>                 | Clark, Mrs. Wm. S., 173                  |
| Bonham, W., 376                                      | Cleaveland, F. A., 284, 460-1, <i>r.</i> |
| Bonn, M. J., 508                                     | Clinton, George, 343, 509                |
| Bouglé, C., 120 <i>b.</i>                            | Clowes, Dr. Frank, 163                   |
|  | Cochran, T. J., 316                      |
|  | Cochrane, Constance, 291                 |



# ANNALS OF THE AMERICAN ACADEMY.

- Cochrane, H. J., 286  
 Coghlan, T. A., 342  
 Collier, W. M., 452-3, *b.*, 508  
 Collingwood, 123  
 Colquhoun, A. R., 342  
 Colvin, Caroline, 286  
 Combes de Lestrade, *Vte.*, 303-5, *b.*  
 Combes, W. J., 173  
 Commodus, 509  
 Commons, J. R., 131, 133-7, *r.*, 288, *b.*, 342  
 Comte, Auguste, 435  
 Conant, C. A., 189-211, *pap.*  
 Condorcet, Marquis de, 11  
 Conrad, J., 312  
 Coste, A., 342  
 de Coubertin, P., 175  
 Cownie, John, 321  
 Craig, J. P., 175  
 Croker, Richard, 267  
 Cromwell, Oliver, 17  
 Cullom, S. M., 101  
 Cunningham, W., 207  
 Czar of Russia, 18  
 Daranyi, Dr., 499  
 Darwin, C. A., 456  
 Davis, A. B., 287  
 Davis, Katherine B., 283  
 Davis, W. M., 480  
 Davis, W. S., 286  
 Davis, C. G., 504  
 Deahl, J. N., 342  
 Dechesne, L., 342  
 De Forest, R. W., 503  
 Deiss, E., 342  
 Del Mar, A., 175, 454, *b.*  
 Demolins, E., 263  
 Demoor, Jean, 121-2, *b.*  
 Deniker, J., 175  
 Dennis, J. S., 332 et seq.  
 Deschanel, M., 262  
 Devine, E. T., 503, 505  
 Dewey, D. R., 313  
 Dexter, E. G., 421-34, *pap.*  
 Dietler, Hans, 291  
 Dodd, F. L., 291  
 Domitian, 309  
 Dorman, M. R. P., 175  
 Dostojewski, F. M., 444  
 Dowager Empress, 124  
 Drewry, W. S., 284  
 Duke of Brunswick, 11  
 Dumont, 5  
 Dunbar, C. F., 313  
 Duncan, J. C., 499  
 Dunning, W. A., 35, 473-5, *r.*  
 Durand, E. D., 277-8, *p. n.*  
 Duval, J. J., 288-9, *b.*, 342  
 Eames, B. E., 286  
 Earl of Crewe, 324, 491  
 Earl of Macclesfield, 492  
 Eaton, D. B., 178  
 Eaton, J. S., 342  
 Eaton, Seymour, 84  
 Edmiston, H. J., 286  
 Edwards, Clement, 291  
 Ely, R. T., 129-33, *b.*, 289, *b.*, 309-11, *r.*, 313, 342  
 Emerson, R. W., 266  
 Emery, H. C., 273  
 Falkner, R. P., 33-55, *pap.*, 462-5, *r.*  
 Farnham, Lois A., 285  
 Farrand, Max, 283, *p. n.*  
 Farwell, H. A., 248  
 Favre, 192  
 Fay, S. B., 284  
 Ferri, Prof., 128  
 Ferris, A. J., 289, *b.*  
 Finley, J. H., 282, *p. n.*  
 Fish, A. L., 285  
 Fish, C. R., 284  
 Fisher, H. F., 287  
 Fisher, H. N., 175  
 Fisher, Mayo, 285  
 Fiske, John, 397  
 Fitch, Sir J., 175  
 de Floecker, A., 1  
 Flom, G. T., 284  
 Flores, D. M. M., 342  
 Flower, R. P., 372  
 Folks, Homer, 328, 503, 505  
 Forbes, Gerrett, 164  
 Ford, H. J., 154, 177-88, *pap.*, 317  
 Ford, P. L., 449  
 Forman, B. R., 487  
 Forney, M. N., 508  
 Forrest, J. D., 283  
 Foss, C. D., Jr., 151  
 Foster, Sir Walter, 491  
 Fowler, H. H., 342  
 Foxwell, H. S., 309, 311  
 Francisco, M. J., 508  
 Franklin, Benj., 448, 449  
 Fraser, F. G., 497  
 Fry, Lewis, 491  
 Fyffe, 16 et seq.  
 Garner, J. W., 286  
 Gates, J. W., 357, 383  
 Geddes, Patrick, 170, 326  
 Geike, Sir Archibald, 170  
 George, Henry, 283, 299  
 George, J. A., 286  
 Gibbon, Edward, 309  
 Gide, Charles, 313  
 Giddings, F. H., 313  
 Gillen, 179  
 Gilman, N. P., 504  
 Giroud, G., 508  
 Glasson, W. H., 284, 342  
 Godkin, E. L., 183  
 Golowin, K., 508  
 Goodlet, Charles, 126-7, *b.*  
 Goodnow, F. J., 175, 178 et seq.  
 Gould, E. R. L., 165  
 Gould, Jay, 397  
 Grady, B. F., 175  
 Grant, U. S., 96  
 Gréard, O., 170  
 de Greef, G., 342  
 Green, T. H., 222, 224  
 Greven, H. B., 313  
 Grey, Lord, 15  
 Griffin, A. P. C., 508  
 Griffiths, Wm., 355, 359  
 Griggs, E. H., 290, *b.*  
 Griscom, J. H., 164  
 Guthrie, W. B., 285

# INDEX OF NAMES.

- Hadley, A. T., 203, 207, 299, 313  
 Hagerly, J. E., 285, 286  
 Hall, W. E., 1, 2  
 Hammond, M. E., 446-7, *p. n.*  
 Hampden, Viscount, 491  
 Harper, W. H., 508  
 Harris, J. R., 173  
 Harris, W. T., 170  
 Hart, Hon. T. N., 156, 482, 483  
 Hatton, A. R., 285  
 Haynes, G. H., 93-119, *pap.*, 243-72, *pap.*, 268  
 Heading, 361  
 Hearst, W. R., 79, 81, 91, 92  
 Hebbard, R. W., 503  
 Heinath, Isabella, 506  
 Hendrick, F., 175, 290-1, *b.*  
 Henry, A. E., 286  
 Henry, L. E., 122, *b.*, 175  
 Herbert, H. A., 118  
 Hertslet, 6 et seq.  
 Hewes, Amy, 285  
 Hibbard, B. H., 287  
 Hill, Octavia, 326  
 Hobbouse, Henry, 491  
 Hobson, J. A., 122-3, *b.*, 133-7, *b.*, 175  
 Hoffman, F. L., 462-5, *b.*  
 Hogan, F. E., 175  
 Hollis, F. W., 173, 503  
 Holmes, J. H., 282, *p. n.*  
 Holmes, Chief Justice, 214  
 Holtendorff, 1  
 Homer, 475  
 Hooker, Richard, 25  
 Hopkins, J. H., 508  
 Hopkins, L. L., 342, 454, *b.*, 508  
 Hoskin, A. A., 175  
 House, Lolabel, 286  
 Houston, A. C., 163  
 Howe, Joseph, 129  
 Hubbard, R. B., 508  
 Huxley, T. H., 216  
 Ibrahim, 20  
 von Ihering, Rudolf, 435  
 Ingram, J. K., 193  
 Jacob, 208  
 James I., 129  
 James, J. A., 291-2, *b.*, 342  
 Jameson, J. A., 448  
 Jefferson, Thomas, 228, 404  
 Jenks, E., 175  
 Jenks, J. W., 131, 313, 342, 387, 465-9, *b.*  
 Jennings, E. B., 342  
 Jevons, W. S., 208, 298, 457  
 Jewell, Mrs. O. M., 398  
 Johnson, Andrew, 97  
 Johnson, A. S., 285  
 Johnson, E. R., 290-1, *r.*, 458, *r.*, 479-81, *r.*  
 Johnson, 5  
 Jones, E. D., 328, 450, *p. n.*, 508  
 Jones, G., 508  
 Jones, J. W. L., 287  
 Jones, T. J., 286  
 Jones, Sir Wm., 435  
 Jowett, Benj., 474  
 Judson, H. P., 406, 509  
 Kang-You-Wei, 124  
 Katzenbach, E. L., 286  
 Kaye, P. L., 175  
 Keasbey, E. Q., 123, *b.*, 342  
 Keasbey, L. M., 273, *p. n.*  
 Kelly, E., 175, 469-73, *b.*  
 Keen, Dora, 507  
 Keith, H. E., 342  
 Keller, A. G., 330, 331  
 Kellogg, Louise P., 287  
 Kelly, E., 469-73, *b.*  
 Keltie, J. S., 480  
 Kidd, Benj., 456  
 Kilby, B., 286  
 Kimball, Charlotte, 286  
 Kimble, R. G., 285  
 Kinne, L. G., 321  
 Kinsman, D. O., 285  
 Kipling, Rudyard, 435  
 Kirchhoff, 480  
 Kleinwächter, 292  
 Kolossowski, M., 508  
 Kropotkin, Prince, 127  
 Knapp, M. A., 290  
 Knox, J. J., 342, 454-5, *b.*  
 Kwang-Su, 439  
 Lander, H. C., 291  
 Landon, J. S., 123-4, *b.*, 175  
 Larrabee, Wm., 321  
 Latané, J. H., 175  
 Lawrence, 2 et seq.  
 Lawson, J. G., 491  
 Leacock, S. B., 285  
 Lecky, C. S., 170  
 Ledwith, J. J., 286  
 Lee, G. C., 342, 508  
 Lefevre, A., 167, 175  
 Legien, C., 292, *b.*, 343  
 Legrand, J., 167  
 LeLoutre, 129  
 Leonard, E. M., 508  
 Lermontow, M. Y., 444  
 Leroy-Beaulieu, P., 124-5, *b.*, 175, 197, 207, 209  
 Leser, E., 313  
 Deutscher, G. D., 286  
 Lexis, 292  
 von Leyden, Prof., 313  
 Liard, M., 170  
 Liebenam, W., 305-9, *b.*, 343  
 de Lieven, Prince, 9  
 Lincoln, Abraham, 232, 449, 452  
 Lindholm, S. G., 285  
 Lindsay, S. M., 122-3, *r.*, 311-4, *r.*  
 Lingelbach, W. E., 1-32, *pap.*, 286  
 Little, Stephen, 388  
 Lloyd, H. D., 175, 292-3, *b.*  
 Lobingier, C. S., 157, 280-1, *p. n.*  
 Loos, I. A., 473-5, *b.*  
 Loria, A., 273, 313  
 Lotz, W., 508  
 Louis Napoleon, 22  
 Louis XIV., 5  
 Lowell, A. L., 175, 277, *p. n.*, 475-9, *b.*  
 Lubin, D., 175  
 Lyell, Sir Leonard, 491  
 Machiavelli, 125  
 MacIntyre, Thos., 398  
 Mackenzie, M., 343

# ANNALS OF THE AMERICAN ACADEMY.

MacLeod, A. A., 398  
 Macpherson, H., 343  
 Maine, Sir Henry, 435  
 Makato, T., 175  
 Marsh, W., 504  
 Marshall, Alfred, 136, 143, 313  
 Marshall, Justice, 404 et seq.  
 Martens, 3 et seq.  
 Martin, W. E., 286  
 Marx, K., 310  
 Massart, Jean, 121-2, b.  
 Matthews, Nathan, Jr., 156  
 Mattison, Chas., 173  
 May, M. B., 157, 488  
 Mayo-Smith, R., 313  
 Mazoomdar, P. C., 173  
 McCaleb, W. F., 283  
 McCarr, T. E., 503  
 McCarthy, C., 287  
 McClain, E., 176  
 McCrea, R. C., 286  
 McCutchen, George, 282, *p. n.*  
 McElroy, R. McN., 285  
 McFayden, D., 286  
 McKim, W. D., 455-6, b.  
 McKinley, A. E., 285, 286  
 McKinley, Wm., 501  
 McNair, Grace E., 285  
 McNeal, E. H., 285  
 McVey, F. L., 280, *p. n.*  
 Meade, E. S., 281-2, *p. n.*, 345-403, *pap.*, 465-9, *r.*  
 Meader, L. H., 283  
 Mehmet-Ali, 8  
 Menger, A., 192, 309-11, b.  
 Merriam, C. E., 284, 342  
 Merritt, F. D., 284, 508  
 Metternich, Prince, 12 et seq.  
 Miguel, Don, 16  
 Mill, H. R., 343, 479-81, b.  
 Mill, J. S., 204  
 Miller, W. E., 285  
 Millis, H. A., 283  
 Mitchell, Mrs. Chalmers, 121  
 Mitchell, John, 498  
 Mitchell, S. C., 283  
 Molenac, S. I., 284  
 Mommsen, 305 et seq.  
 Mongtu, M., 197  
 Moore, J. H., 456, b.  
 Moore, Judge, 368 et seq.  
 Morris, Chas, 456-7, b.  
 Morrison, A. E., 447, *p. n.*  
 Muensterberg, E., 508  
 Muhleman, M. L., 457  
 Müller, 16 et seq.  
 Mumford, Eben., 285  
 Munro, W. B., 284, 286  
 Myers, W. S., 284

Nansen, F., 480  
 Napoleon, 6 et seq., 122  
 Napoleon III., 18  
 Nelson, H. J., 286  
 Nelson, S. A., 343, 457, b.  
 Nemmers, E. P., 284  
 Nesselrode, Count, 9  
 Nettleton, A. B., 175, 457, b.  
 Newhall, A. H., 286  
 Nietzsche, 435

Oberholtzer, E. P., 509  
 Oncken, A., 313  
 Oppenheim, N., 343  
 Ogan, Minnie, 286  
 Otho, Prince, 23  
 Pacifico, Don, 21  
 Padan, R. S., 285  
 Page, T. W., 175  
 Paine, R. T., 173  
 Palgrave, R. H. L., 311-4, b.  
 Palmerston, Lord, 7, 15  
 Pantaleoni, M., 195, 313  
 Pardee, Calvin, 499  
 Parkman, Francis, 129  
 Pasquier, Etienne, 13  
 Patten, J. H., 286  
 Patten, S. N., 473  
 Paul-Boncour, J., 293-4, b., 343  
 Paxson, F. L., 286  
 Peabody, Susan W., 285  
 Peek, P. E., 285  
 Peel, Robert, 15  
 Peel, Viscount, 491  
 de Pélichy, C. G., 294, b.  
 Pelloutier, F., 509  
 Pelloutier, M., 509  
 Penn, Wm., 460  
 Pepper, Wm., 447  
 Phelps, R. F., 286  
 Philbrick, F. S., 286  
 Philip V., 5  
 Phillimore, Mrs., 291  
 Pichon, 129  
 Pitt, Wm., 3 et seq.  
 Plato, 183, 200, 438, 473, et seq.  
 Platt, H. C., 267  
 Plehn, C. C., 125, b., 343  
 Polybius, 306  
 Pomeroy, E., 267  
 Poor, H. W., 361  
 Poore, B. P., 413, et seq.  
 Pope, J. E., 285  
 Preston, Helen G., 286  
 Proper, E. E., 343  
 Proudhon, P. J., 127, 310  
 Pryor, J. W., 150  
 Pulitzer, Jos., 72, 81  
 Pym, John, 269  
 Quay, M. S., 266  
 Queen Elizabeth, 17  
 Queen Victoria, 7, 21  
 Rabbeno, 313  
 Radcliffe, G. L. P., 284  
 Ratzel, Friedrich, 137-9, b., 343, 457-8, b.  
 Reay, Lord, 459  
 Redman, W., 175  
 Reeder, R. R., 343  
 Reeves, W. P., 293  
 Reid, D. G., 358  
 Reid, W., 343  
 Reinsch, P. S., 125-6, b., 343, 435-45, *pap.*  
 Renan, J. E., 435  
 von Renauld, J. R., 343  
 Renouvier, 220  
 Rex, P. T., 286  
 Rhodes, Bradford, 455

# INDEX OF NAMES.

Ricardo, David, 201  
 Richard, 129  
 Richards, J. K., 343  
 Richardson, A. C., 483  
 Richelieu, Cardinal, 18  
 Riddle, J. W., Jr., 286  
 Riis, J. A., 165  
 Ripley, W. Z., 279, *p. n.*  
 Ritchie, D. G., 212, 221 et seq.  
 Rives, G. L., 150  
 de Rocquigny, Le Comte, 175,  
 294-5, *b.*  
 Rodbertus, K., 310  
 Rogers, H. J., 503  
 Roper, C. L., 281, *p. n.*, 446, *p. n.*  
 Rosebush, G. J., 286  
 Rothschild, Lord, 491  
 Rousseau, J. J., 219  
 Rousseau, Waldeck, 293  
 Rowe, L. S., 152, 313  
 Rowntree, Jos., 295, *b.*  
 Ruskin, John, 122  
 Rutland, J. R., 285  
  
 Sage, Russell, 374  
 Salisbury, Lord, 19  
 Scarborough, W. S., 145-7, *r.*  
 Schaffner, Margaret, 287  
 Schieren, Chas. A., 507  
 Schmelzle, H., 509  
 Schopenhauer, A., 435  
 Scott, Dred, 405 et seq.  
 Scott, G. W., 285  
 Scott, S. B., 287  
 Scott, W. A., 283, *p. n.*  
 Scruggs, W. L., 343, 458, *b.*  
 Seager, H. R., 139-45, *r.*, 297-  
 303, *r.*  
 Seager, J. R., 295-6, *b.*  
 Sears, E. H., 343  
 Seeley, J. R., 178  
 Seligman, E. R. A., 274, 313  
 Semple, Ellen C., 137-9, *r.*  
 Seward, Wm. H., 175, 451  
 Shahan, T. J., 128-9, *r.*  
 Shambaugh, B. F., 127, *b.*  
 Shelley, Helen H., 285  
 Sherman, S. A., 283  
 Sherwell, Arthur, 295, *b.*  
 Shimmell, L. S., 285  
 Shiozawa, M., 285  
 Shotwell, J. T., 273-4, *p. n.*  
 Shumway, E. S., 305-9, *r.*  
 Sillery, G. C., 285  
 Simmons, W. E., 175  
 Slomp, C. B., 286  
 Smart, Wm., 139-45, *b.*, 193, 203  
 Smiley, A. K., 172  
 Smith, Adam, 143, 208, 297, 313,  
 314  
 Smith, A. H., 343  
 Smith, B. A., 284  
 Smith, H. J., 343  
 Smith, O. J., 343  
 Souchon, V., 200  
 Spahr, C. B., 343, 459, *b.*  
 Spalding, T. A., 343, 459-60, *b.*  
 Sparling, S. L., 295-6, *r.*  
 Spencer, C. W., 285  
 Spencer, Herbert, 128, 178, et seq.  
 Sperry, E. E., 285

Stacey, B. F., 285  
 Stanwood, Edward, 96  
 von Steffens-Frauweiler, H. F.,  
 343  
 von Stein, Lorenz, 297  
 Stephens, H. M., 277, 313, 475,  
 478  
 Sterns, W. P., 283  
 Stirner, 127  
 Stokes, H. K., 283  
 Stourm, René, 297  
 Straus, A., 508  
 Stubbs, T. J., Jr., 286  
 St. Clair, 419  
 Sultan of Turkey, 8 et seq.  
 Sutro, Theodore, 173  
 Swaminadhan, S., 284  
 Swett, J., 175  
  
 Tanner, M. E., 309  
 Taussig, F. W., 313  
 Taylor, W. G. L., 469-73, *r.*  
 Thomas, S. E., 286  
 Thompson, Ashburton, 493  
 Thompson, W., 291, 310  
 Thorpe, F. N., 447-9, *p. n.*  
 Thounévil, 18  
 von Thünen, 299  
 de Tocqueville, A., 266  
 Tolman, W. H., 504, 509  
 Tompkins, Daniel D., 342  
 Truax, Judge, 339  
 Tnfts, James W., 507  
  
 Van den Berg, 313  
 Vandervelde, E., 121-2, *b.*  
 Vander Vlugt, W., 509  
 Vannie, L., 175  
 Van Tyne, C. H., 285, 286  
 Veblen, T. B., 446, *p. n.*  
 Veiller, Lawrence, 164, 175, 328,  
 503, 504  
 Violette, E. M., 285  
  
 Wagner, Adolph, 297  
 Wagner, Richard, 435  
 Wakeman, 5  
 Waldorf, Lee, 286  
 Walker, Francis A., 136, 275, 276,  
 313  
 Walker, Francis, 449-50, *p. n.*  
 Walras, Léon, 205  
 Wanamaker, John, 505  
 Ward, W. H., 173  
 Warner, A. G., 279  
 Washington, B. T., 145-7, *b.*  
 Washington, George, 225  
 Waterman, R., 505  
 Weaver, C. C., 284  
 Webb, Sidney, 142, 291  
 Webb, Mrs. Beatrice, 142  
 Webster, Daniel, 129  
 Webster, 271, 272  
 Weed, S. H., 452  
 Weinhausen, F., 343  
 Welldon, 474  
 Wells, D. A., 202  
 von Wenckstern, A., 175  
 West, Max, 274-5, *p. n.*  
 Whitaker, A. C., 285

# ANNALS OF THE AMERICAN ACADEMY.

- |  |   |
|--|---|
| <p>White, A. T., 164<br/>         White, 457<br/>         Whitney, Eli, 446<br/>         Wicker, G. R., 285<br/>         Wileox, D. F., 56-92, <i>pap.</i>, 343<br/>         Wilgren, Karl, 296-7, <i>b.</i><br/>         Williams, Talcott, 227-42, <i>pap.</i><br/>         Willoughby, W. F., 278-9, <i>p. n.</i>, 504<br/>         Willoughby, W. W., 278<br/>         Windsor, Lord, 491<br/>         Wolf, L. B., 500<br/>         Wood, Stuart, 151<br/>         Woodruff, C. R., 151, 172, 173<br/>         Woodward, R. S., 170</p> | <p>Woolston, H. B., 285<br/>         Wright, C. D., 275-77, <i>p. n.</i>, 328<br/>         Wright, G. F., 443<br/>         Wright, H. C., 283<br/>         Wyman, J. G., 155<br/>         Young, A. A., 287<br/>         Young, A. W., 509<br/>         Young, J. T., 475-9, <i>r.</i><br/>         Youngman, E. H., 455<br/>         Zenker, E. V., 127-8, <i>b.</i><br/>         von Zwiedineck-Südenhorst, O., 343</p> |
|--|---|

## INDEX OF SUBJECTS.

[N. B.—Titles of papers are printed in small capitals.]

- Administration.** **POLITICS AND ADMINISTRATION.** 177-188. The study of political principles, 177; Nature of the state, 178; Diversity of state types, 179; Characteristics of law forms, 180; Effects of commercialism, 181; Local government in U. S. belongs to low type, 182; Its evils inherent, 183; Causes of administrative efficiency, 183; Role of party, 184; Parties a condition of progress, 185; Strengthening administration, 186; Cannot be done through elections, 187.  
 Problems of administration in Pittsburg, 317
- Advertising** as factor in trusts, 363
- Agricultural Colony** at La Chalmelle, 165
- Agriculture.** "Les Syndicats Agricoles," by de Rocquigny, note, 294
- Alabama,** representation in, 93 et seq.
- Amalgamation.** Boston, 482; Buffalo, 483; Pittsburg, 483; New Orleans, 487
- American Ice Co.** and New York City officials, 151
- Anarchism.** "Anarchism," by E. V. Zenker, note, 127
- Arbitration Conference,** 172
- Arizona,** representation in, 244 et seq.
- Arkansas,** representation in, 93 et seq.
- Associations.** International Association for Advancement of Science, Art and Education, 170. International Arbitration Conference, 172
- Balance of power,** 4
- Ballot Reform** in Pennsylvania, 151
- Banking.** "History of Banking in the U. S.," by J. J. Knox, note, 454  
 "A. B. C. of Wall Street," by S. A. Nelson, note, 457
- BOOK DEPARTMENT.** Notes 120-128, 288-297, 451-460; Reviews, 128-147, 297-314, 460-481
- Bosses,** party, 184
- Boston.** Mayor's message, 156; Taxation, 156; Rapid transit, 320; Municipal concerts, 320; Amalgamation, 482
- Bourse du Travail** in Paris, 168
- Bubonic plague** and quarantine, 492
- Buffalo.** Amalgamation, 483
- California,** representation in, 244 et seq.
- Chicago.** Civil Service, 316
- China.** **CULTURAL FACTORS IN THE CHINESE CRISIS,** 435-445; Premonitions of struggle, 435; Climatic contrast of China and India, 436; Attitude of other nations, 437; Confucian morality, 438; State examinations, 438; Chinese government methods, 439; Contrast with Japan, 441; Manufactures, 442; Russian power, 443; Problem of the future, 445
- Cincinnati,** laws affecting, 157; Population, 488
- Cities.** American. New York, 148; Pittsburg, 154, 317, 483; Boston, 156, 320, 482; Cincinnati, 157, 488; Omaha, 157; Chicago, 316; Indianapolis, 320; San Francisco, 322; Buffalo, 483;

# INDEX OF SUBJECTS.

- New Orleans, 487; Minneapolis, 489
- Foreign. London, 160; Havana, 159; Paris, 167; Leek, 492
- City Charters. New York, 150; Pennsylvania, 152; San Francisco, 322; Minneapolis, 489
- Civil Service in Pittsburg, 154; in New York State, 315; in Chicago, 316; in Massachusetts, 319
- Colonies. "Java et ses habitants," by J. Chailley-Bert, note, 121
- "Colonial Civil Service," by A. L. Lowell, reviewed, 475-479
- Colorado, representation in, 244 et seq.
- Combinations. *See* Trusts.
- Commercialism and political forms, 180
- Competition and combination, 351 et seq.
- Congress, interpretation of Constitution, 411
- Constitutional History. "Constitutional History of the United States," by J. S. Landon, revised edition, note, 123
- "Fragments of Debates of Iowa Constitutional Conventions," by B. F. Shambaugh, note 127
- "Constitution and Admission of Iowa to the Union," by J. A. James, note, 291
- Constitutional Law. "Civil Government Simplified," by J. J. Duvall, note, 288
- LAW AND PRACTICE OF UNITED STATES IN THE ACQUISITION AND GOVERNMENT OF DEPENDENT TERRITORY. 404-420.
- Right to acquire, 404; Mode of government, 405; Legal meaning of United States, 406; Extension of Constitution to new territories, 407; Constitutional restrictions on power to legislate, 408; Practice of acquisition, 410; Practice of government, 411; Congress has specifically extended the Constitution, 412; Denial of guaranteed rights, 413; Government of Louisiana, 415; Direct Legislation for territories, 416; Personal rights not denied in fact, 417; nor property rights, 418; Summary, 420
- Crime, Statistics of, in Denmark, 330
- Currency. *See* Money.
- Denmark, Crime Statistics, 330; Protection of laborers, 331
- Drainage in London, 162
- Economics. "Economics of Distribution," by J. A. Hobson, reviewed, 133-137
- "The Distribution of Income," by W. Smart, reviewed, 139-145
- "Outlines of Economics," by R. T. Ely, 2d edition, note, 289
- "Pauperizing the Rich," by A. J. Ferris, note, 289
- "The Distribution of Wealth," by J. B. Clark, reviewed, 297-303
- "The Right to the Whole Produce of Labor," by A. Menger, reviewed, 309-311
- Dictionary of Political Economy, edited by R. H. Inglis Palgrave, reviewed, 311-314
- Education. Report on work of London School Board, note, 459
- England. Municipal Socialism, 323
- Evolution. "Evolution by Atrophy in Biology and Sociology," by J. Demoor *et al.*, note, 121
- "Man and His Ancestor: A Study in Evolution," by C. Morris, note, 456
- Expansion. *See* Constitutional Law.
- THE ETHICAL AND POLITICAL PRINCIPLES OF EXPANSION, 227-242. New situation revives discussion of old principles, 227; Growth of local self-government, 229; Practical limitations on theory, 230; National limitations on local aims, 232; Other limitations, 233; Principles of free government confined to temperate zones, 234; Problem of tropics not self-government, but efficient government, 235; Duty of civilized nations to attain it, 237; Economic ruin of tropics under bad government, 239; Future of the tropics, 240
- Finance. "Introduction to Public Finance," by C. C. Plehn, 2d edition, note, 125.
- "Russian Journal of Financial Statistics," note, 126
- "Das Staats-budget," by K. Willgren, note, 297
- Finances of New York, 148; of Boston, 156; of Cincinnati, 157; of Omaha, 157; of Havana, 159; of Indianapolis, 320; of New Orleans, 488
- Florida, representation in, 93 et seq.
- Foreign Missions, statistics of, 332
- Foreign trade and trusts, 362
- Gas Commission in Massachusetts, 318
- Geography. "Anthropogeographie," 1st part, 2d edition, by F. Ratzel, reviewed, 137-139

# ANNALS OF THE AMERICAN ACADEMY.

- "Das Meer als Quelle der Völkergrösse," by F. Ratzel, note, 457.
- Supplement to Nouveau Dictionnaire de Géographie Universelle, reviewed, 479
- The International Geography, edited by H. R. Mill, reviewed, 479-481
- Georgia, representation in, 93 et seq.
- Gold redemption, 34 et seq.
- Gold reserve, 34 et seq.
- Havana. Finances, 159
- History. "Builders of Nova Scotia," by J. G. Bourinot, reviewed, 128-129
- "Städteverwaltung im Römischen Kaiserreiche," by W. Liebenam, reviewed, 305-309
- "Life of William H. Seward," by F. Bancroft, note, 451
- "The Colombian and Venezuelan Republics," by W. L. Scruggs, note, 458
- "Pennsylvania, Province and State," by A. S. Bolles, reviewed, 460-461
- Holy Alliance, 12
- "Houses for Working Classes," note, 291
- Housing of the Poor. In London, 160; in New York, 164
- Idaho, representation in, 244 et seq.
- Indianapolis. Finances, 320
- Insurance. "History of the Prudential Insurance Company," by F. L. Hoffman, reviewed, 462-465
- Intemperance. DRUNKENNESS AND THE WEATHER, 421-434; General influence of weather states, 421; Does it affect drunkenness, 422; Method of inquiry, 422; Monthly frequency of drunkenness, 423; Temperature, 426; Barometric pressure, 428; Humidity, 429; Wind intensity, 431; Summary, 433
- Municipal trusts to reduce intemperance, 494
- International Law. THE DOCTRINE AND PRACTICE OF INTERVENTION IN EUROPE, 1-32; Unsettled state of opinion, 1; Occasions for historic intervention, 2; To prevent hostile acts, 3; To preserve balance of power, 4; To maintain or establish a particular form of government, 10; Gradual decline of doctrine, 12; To prevent intolerance or anarchy, 17; For preservation of treaty rights, 21; Practice frequent, 24; Establishes precedents and rules, 25; Intervention a resort to the sanction of international law, 26; Its legal status defined, 31
- Intervention. See International Law.
- Iowa, state institutions, 321
- Iron and steel industry, concentration in, 339
- Journalism. See Newspapers.
- Jurisprudence. NATURAL RIGHTS, 212-226; Early origin of theory, 212; Bentham's critique, 213; Verbal in character, 214; Mutual limitation of rights, 215; Analysis of term right, 217; Burke on rights, 217; Are rights civil or natural 220; Ritchie's critique really supports doctrines, 221; His social utility explanation, 222; Relation of "necessary" and "natural" rights, 224; Ethical basis of jurisprudence, 224
- Labor. "Bases statistiques de l'Assurance contre l'Accident," note, 288
- "A Country without Strikes," by H. D. Lloyd, note, 292
- "Le Régime du Travail dans les Principaux Ports du Mer d'Europe," by C. G. de Pélicy, note, 294
- "Annual Abstract of (British) Labor Statistics," note, 296
- "America's Working People," by C. B. Spahr, note, 459
- "What Women Can Earn," note, 460
- Protection of laborers in Denmark, 331; Legal status of labor organizations, 339
- Bourse du Travail in Paris, 168
- Labor and trusts, 362
- Leek, England, municipal enterprises, 491
- Legislatures in Southern States, 93 et seq.; in Western States, 243 et seq.
- London, Housing of the poor, 160; Drainage, 162; Parks, 163
- Louisiana, representation in, 93 et seq.
- Massachusetts Gas and Electric Light Commission, 318; Metropolitan Water Works, 319; Civil service, 319
- Military Science. "Napoleon's War Maxims," by L. E. Henry, note, 122
- Minneapolis. Statistics, 487; Charter, 487; Primary law, 488
- Mississippi, representation in, 93 et seq.
- Money. "History of Money in America," by A. Del Mar, note, 454
- THE CURRENCY LAW OF 1900, 33-55; Purpose of law, 33; Redemption under Resumption Act, 34; Its working till 1890, 35; Effect of

## INDEX OF SUBJECTS.

- treasury note issue, 36;  
 Present situation, 37;  
 Amount of new reserve, 38;  
 Pressure upon it reduced,  
 38; Treatment of silver  
 certificates, 39; Replenishment  
 of reserve, 40; Advance not  
 radical, 41; National bank-  
 note issues, 42; Changes  
 presented, 43; Why made,  
 45; Effects of new issues,  
 47; General estimate, 49;  
 Appendix text of the law,  
 49
- THE LAW OF THE VALUE OF  
 MONEY.** 189-211; Money  
 and commodities have a  
 like law of value, 189; De-  
 mand for money, 189;  
 Credit and money, 191;  
 Money and commodity differ  
 in degree, not kind, 191;  
 Evolution of exchange me-  
 dia, 192; Money value de-  
 pends on specific demand,  
 194; "Value of money" in  
 theory, 195; In terms of  
 the market, 195; Relation of  
 discount rate and prices,  
 197; Money demand and  
 goods demand contrasted,  
 198; Dealers, not consumers,  
 make demand, 199; limit of  
 money supply profitably  
 used, 200; Increase of de-  
 mand without growth of  
 quantity, 201; Influence of  
 production costs, 202; Value  
 of money and discount rate,  
 203; Quantitative theory,  
 205; Money demand more  
 important than supply, 206;  
 Slow effects of increased  
 supply, 207; Paper money,  
 208; Undervalued coin, 209
- Montana, representation in, 244  
 et seq.
- Municipal Government. "Law of  
 Electric Wires," by E. O. Keas-  
 bey, 2d edition, note, 123  
 "The Municipality," note, 293  
 "London Government," by J.  
 R. Seager, note, 295
- MUNICIPAL GOVERNMENT NOTES,**  
 148-163, 315-327, 482-493
- Municipal legislation in Cincin-  
 nati, 157
- Municipal trading in Great Britain,  
 491
- National Bank notes, 42 et seq.
- Negro. "The Future of the Ameri-  
 can Negro," by B. T. Washing-  
 ton, reviewed, 145-147
- Nevada, representation in, 244 et  
 seq.
- New Mexico, representation in, 244  
 et seq.
- New Orleans. Amalgamation, 487;  
 Vital statistics, 487; Finance,  
 488
- Newspapers. **THE AMERICAN  
 NEWSPAPER: A STUDY IN SOCIAL  
 PSYCHOLOGY,** 56-92; Distrust of  
 newspapers, 56; Influence of the  
 press, 56; Extent of daily press,  
 57; Areas of influence, 59; Con-  
 tents classified, 61; Analysis of  
 leading dailies, 65; Local char-  
 acteristics, 67; Relation of con-  
 tents to circulation, 73; Yellow  
 journalism, 76; Its prevalence,  
 77; Circulation of yellow papers,  
 79; Prices of papers, 79; News-  
 paper individuality, 81; Special  
 features, 84; Political proclivi-  
 ties, 85; Newsgathering agencies,  
 86; Journalism as a profession,  
 86; Function of news, 87; News-  
 paper control, 89; Official  
 papers, 90; Endowed papers, 91;  
 The outlook, 92
- New York City. Confession of  
 Judgment Act, 148; City char-  
 ter, 150; American Ice Co., 151
- New York State civil service, 315
- North Carolina, representation in,  
 93 et seq.
- North Dakota, representation in,  
 244 et seq.
- Oklahoma, representation in, 244  
 et seq.
- Omaha, personal taxes, 157
- Oregon, representation in, 244 et  
 seq.
- Outdoor poor relief in Paris, 167
- Paper money, 208
- Paris Exposition, social economy  
 at, 328; American awards, 503
- Paris outdoor relief, 167; Bourse  
 du Travail, 168
- Parks in London, 163
- Party complexion of legislatures in  
 Southern States, 114; in West-  
 ern States, 257
- Party politics in Pittsburg, 155
- Pittsburg civil service, 154; Party  
 politics, 155; Official responsi-  
 bility, 317; Amalgamation, 483
- Pennsylvania, Ballot reform in,  
 151; City charters, 152; Sanitary  
 convention, 153
- PERSONAL NOTES,** 273-287, 446-  
 450
- Political Philosophy. "Les Idées  
 Egalitaires," by C. Bouglé, note,  
 120
- "Droit Politique Contemporain,"  
 by Combes de Les-  
 trade, reviewed, 303-305
- "Government or Human Evolu-  
 tion. Justice," by E.  
 Kelly, reviewed, 470-473
- "Studies in the Politics of  
 Aristotle and the Republic  
 of Plato," by I. A. Loos, re-  
 viewed, 473-475
- Political Science. See Administra-  
 tion.



# ANNALS OF THE AMERICAN ACADEMY.

Population of New Orleans, 487 ;

of Cincinnati, 488

Prices, and money, 195 ; and discount rate, 197

Primary election law of Minneapolis, 490

Proportional Representation. "Representative Democracy," by J. R. Commons, note, 288

Public entertainments in Boston, 320

Rapid transit in Boston, 320

REPRESENTATION IN STATE LEGISLATURES. THE SOUTHERN

STATES, 93-119 : General characteristics of states, 93 ; Suffrage,

94 ; Qualifications of, 95 ; Disfranchisement measures, Mississippi, 97 ; South Carolina, 98 ;

Louisiana, 99 ; Alabama, 101 ; Single member districts common,

102 ; Exceptions, 103 ; Mode of election, 104 ; Compensation,

107 ; Eligibility for office, 108 ; Personal characteristics of legislators, 110 ; Age, 111 ;

Nativity, 111 ; Occupations, 111 ; Experience, 113 ; Negro members,

113 ; Party complexion of legislature and state votes, 114 ;

Elasticity of system, 115 ; Apportionments, 116 ; Conclusion,

118

REPRESENTATION IN STATE LEGISLATURES. THE WESTERN

STATES, 243-272 : The field of study, 243 ; General characteristics, 243 ; Choice of Legislatures, 244 ; Woman suffrage,

245 ; Educational tests, 246 ; Basis of representation population only, 248 ; Mode of election,

251 ; Qualifications of members, 253 ; Personnel of legislatures,

255 ; Political complexion of legislatures and the popular vote, 257 ; Elasticity of system,

259 ; Representation in territories, 260 ; Contrast of American and foreign legislatures,

262 ; Influence of choice of U. S. Senators, 266 ; Influence of corporations, 266 ; Residence requirements, 267 ; Smallness of

constituencies, 268 ; Conclusions, 270

Rights, natural. See Jurisprudence.

San Francisco City Charter, 322

Sanitation in Pennsylvania, 153

Self-government, development of, 229 ; Limitations on, 230 ; Confined to temperate zones, 234

Silver certificates under law of 1900, 39

Social economy at Paris Exhibition, 328 ; American awards, 503

Socialism, "Congrès des Organisations Socialistes," note, 453

Municipal socialism in England, 323

Social Philosophy. "The New Humanism," by E. H. Griggs, note, 290

"Practical Agitation," by J. J. Chapman, note, 452

"Heredity and Human Progress," by W. D. McKim, note, 455

"Better World Philosophy," by J. H. Moore, note, 456

Social Reform. "John Ruskin, Social Reformer," by J. A. Hobson, note, 122

SOCIOLOGICAL NOTES, 164-174, 328-341, 494-507

South Carolina, representation in, 93 et seq.

South Dakota, representation in, 244 et seq.

Speculation in industrial stocks, 348 et seq.

State institutions, control of, in Iowa, 321

State, nature of, 178 ; Types, 179

Suffrage in Southern States, 94 ; in Western States, 244

Supreme Court on scope of Constitution, 406

Temperance. "Temperance Problem and Social Reform," by Rowntree and Sherwell, note, 295

Tenement House Reform in New York, 164

Tennessee, representation in, 93 et seq.

Territories, constitutional law of, 404 et seq.

Texas, representation in, 93 et seq.

Trades Unions. "Das Koalitionsrecht der deutschen Arbeiter," by T. Legien, note, 292

"Le Fédéralisme Economique," by J. Paul-Boncour, note, 293

Transportation. "Railway Control by Commissions," by F. Hendrick, note, 290

Treasury notes, 36 et seq.

Tropics, government in, 235 ; Future of, 240

TRUSTS. FINANCIAL ASPECTS OF THE TRUST QUESTION, 345-403 ;

Recent origin of industrial companies, 345 ; Their beginnings,

346 ; Late multiplication, 347 ; Promoters' activity, 348 ; Financial inducements offered, 350 ;

Economics of combination, 350 ; Local concentration of plants,

351 ; Competition of localities, 353 ; Producers' view of competition, 354 ; Early attempts at

eliminating it, 356 ; Corporate form, 357 ; Illustrated in wire combination, 359 ; Scope of

companies, 360 ; Combination and home trade, 361 ; and ex-

## INDEX OF SUBJECTS.

port trade, 362; and labor, 362; Advertising, 363; Cash and stock bonuses, 363; Their attractiveness to owners of plants, 364; Special inducements, 365; Bond issues not favored, 366; Disposal of securities, 367; Promoters' profits, 369; How obtained, 370; Sale of stocks, 372; Careful investors shun them, 373; Sought by speculators, 374; and sanguine or ignorant investors, 374; How sales are effected, 375; Trust prospectuses, 377; Placing the common stock, 380; Sales to margin speculators, 380; Financial ability of such sales, 382; Experience of common stock, 384; Failure of dividends, 385; Losses of the public, 386; Experience of preferred stock, 388; Evils of speculation, 389; Losses of underwriters, 390; Illustrated in copper, 391; Ultimate fate of common stock, 393; Earnings not applied to it, 395; Future stability of industrial stocks, 399

"Monopolies and Trusts," by R. T. Ely, reviewed, 129-133

"The Trusts," by W. M. Collier, note, 452

"The Coming Trust," by L. L. Hopkins, note, 454

"Trusts or Competition," by A. B. Nettleton, note, 457

"The Trust Problem," by J. W. Jenks, reviewed, 465-469

Utah, representation in, 244 et seq.

Virginia, representation in, 93 et seq.

Vital statistics of New Orleans, 487

Wages of anthracite coal-miners, 497

Washington, representation in, 244 et seq.

Water-works in Massachusetts, 319

West Virginia, representation in, 93 et seq.

Wheat outlook, 499

World Politics. "La Rénovation de l'Asie," by Pierre Leroy-Beaulieu, note, 124

"World Politics as Influenced by the Oriental Situation," by P. S. Reinsch, note, 125

Wyoming, representation in, 244 et seq.

Yellow journalism, 76 et seq.









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